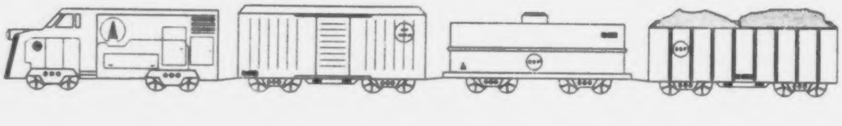
VOLUME NO. 4

Railroad Ten-Year Trends

1977 - 1986



Economics and Finance Department
ASSOCIATION OF AMERICAN RAILROADS

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PREFACE

This fourth edition of RAILROAD TEN-YEAR TRENDS is offered in a simple statistical format, and as the title implies, most of the data are presented for the past 10 years. The tables are organized into the following categories:

- The Changing Consist of the Railroad Industry
- The Economy, Transportation and the Railroads
- Financial Statements
- Financial Statistics
- Traffic, Operating and Employment Statistics
- Profiles

Except where otherwise noted, the statistics reported herein are derived from Annual Reports (R-1) and other reports of Class I Railroads to the Interstate Commerce Commission (ICC), as well as data collected by the Association of American Railroads. AMTRAK statistics are not included except where noted.

Also, unless specifically noted, the statistics reflect the operations of Class I Railroads only. Prior to 1956, Class I Railroads consisted of those carriers with annual operating revenues equal to or over $1,000,000. Since January 1, 1982, when the ICC adopted a procedure to adjust the threshold for inflation by restating current revenues in constant 1978 dollars, the threshold has been raised five times. The criteria for classifying Class I railroads are summarized below:

YEAR	Annual Operating Revenues
Pre-1956	$ 1,000,000
1956	3,000,000
1965	5,000,000
1976	10,000,000
1978	50,000,000
1982	82,453,000
1983	83,486,000
1984	87,336,000
1985	87,935,000
1986	88,550,000

ORDERING RAILROAD TEN-YEAR TRENDS

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STATISTICAL NOTES

- This edition of Ten Year Trends has been revised significantly. Most tables have been changed to be consistent with the Analysis of Class I Railroads. A concordance between the prior and current editions has been provided on page 107. A glossary of terms and an index have also been added to this edition.

- In some tables columns may not sum due to independent rounding.

- The data contained herein reflect the Class I railroad consist for that year. The consist has changed throughout the years because of mergers, bankruptcies and declassifications by the ICC, and will affect the trends.

THE CHANGING CONSIST OF THE RAILROAD INDUSTRY

CLASS I RAILROAD SYSTEMS *

Atchison, Topeka and Santa Fe Railway Company
Burlington Northern Railroad Company
Chicago and North Western Transportation Company
Consolidated Rail Corporation (Conrail)
CSX Transportation
Denver and Rio Grande Western Railroad
Florida East Coast Railway
Grand Trunk Corporation
Guilford Industries
Illinois Central Gulf Railroad
Kansas City Southern Railway
Missouri-Kansas-Texas Railroad
Norfolk Southern Corporation
Soo Line Railroad
Southern Pacific Transportation Company
Union Pacific Railroad

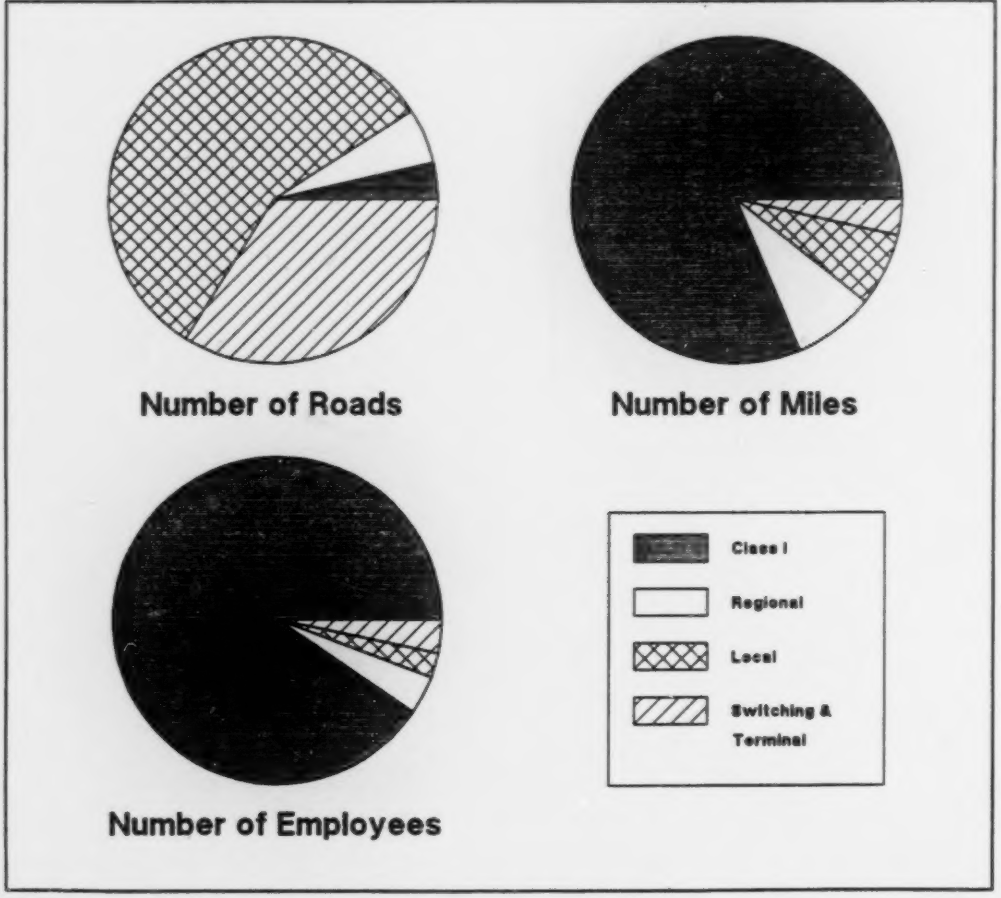
---

* While there are 16 Class I Railroad Systems, there are 18 Class I Railroads which report to the ICC.

INDUSTRY OVERVIEW

Type of Railroad	Number	Miles	Employees
Class I	18	155,488	253,218
Regional	27	15,154	10,601
Local	279	13,717	6,790
Switching & Terminal	166	3,669	9,156
TOTAL	490	188,028	279,765

Source: Profiles of U.S. Railroads -- Third Quarter 1987.



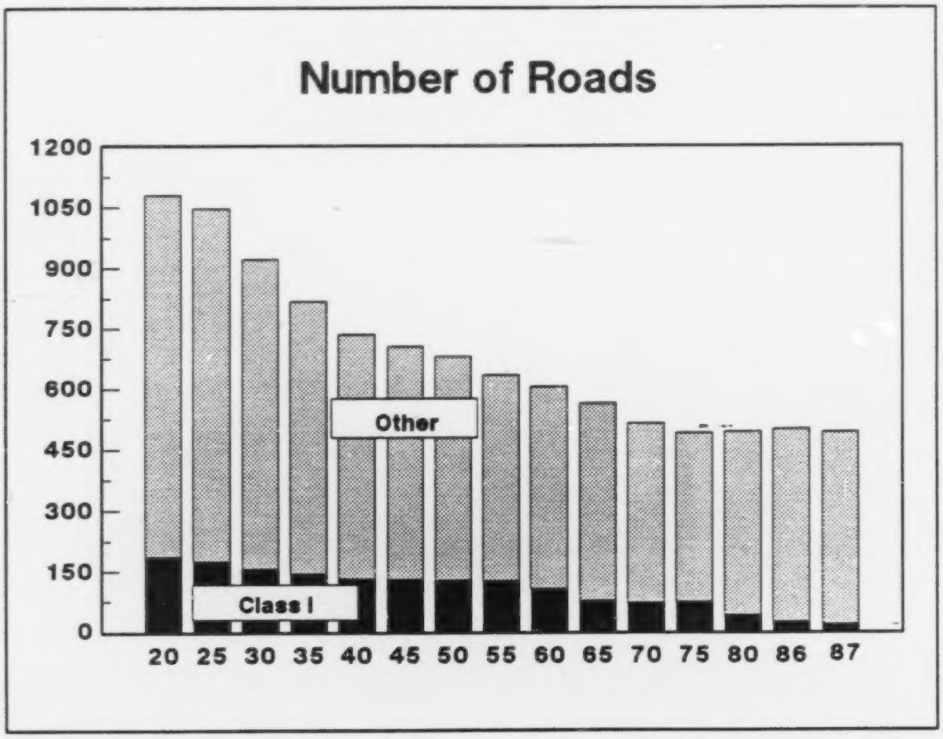
Number of Roads

Number of Miles

Number of Employees

NUMBER OF RAILROADS

Year	Class I Line-Haul Railroads	Other Railroads	Total
1920	186	931	1,117
1925	174	866	1,040
1930	156	772	928
1935	144	666	810
1940	131	605	736
1945	130	568	698
1950	127	552	679
1955	126	517	643
1960	106	501	607
1965	76	492	568
1970	71	446	517
1975	73	404	477
1980	39	441	480
1986	22	475	497
1987	18	472	490



RAILROAD DECLASSIFICATIONS SINCE 1978

(Declassified From Class I Status)

		Year Last Reported:			
Railroad	Year Declassified	Miles of Road	Number of Employees	Operating Revenues (000)	Carloads
Bangor and Aroostook	1978	504	747	$19,583	81,358
Canadian Pacific (in Maine)	1978	234	327	13,538	118,353
Central Vermont	1978	362	396	13,266	43,692
Chicago & Illinois Midland	1978	121	358	11,746	73,611
Duluth, Winnipeg & Pacific	1978	170	278	28,267	124,776
Maine Central	1978	860	1,254	41,555	142,747
Richmond, Fred'burg & Potomac	1978	112	1,043	35,227	233,440
Texas-Mexican	1978	157	295	8,538	32,021
Bessemer & Lake Erie	1985	204	733	80,487	105,918
Duluth, Missabe & Iron Range	1985	357	1,206	79,725	403,370
Pittsburgh & Lake Erie	1985	408	1,070	50,316	63,832
Elgin, Joliet & Eastern	1986	175	1,495	84,987	76,476

RAILROAD MERGERS SINCE 1978

CSX
- Seaboard System (1985)
  - Louisville and Nashville (1982)
  - Seaboard Coast Line (1982)
  - Clinchfield (1982)
- Chessie System (1985)
  - Chesapeake and Ohio (1985)
  - Baltimore and Ohio (1985)
    - Western Maryland (1983)

NORFOLK SOUTHERN
- Norfolk and Western (1985)
- Southern Railway System (1985)
  - Alabama Great Southern (1984)
  - Central of Georgia (1984)
  - Cincinnati, New Orleans and Texas Pacific (1984)
  - Southern Railway (1984)

GRAND TRUNK WESTERN
- Detroit, Toledo and Ironton (1983)

BURLINGTON NORTHERN
- St. Louis/San Francisco (1980)
- Colorado and Southern (1981)
- Fort Worth and Denver (1981)

UNION PACIFIC
- Missouri Pacific (1985)
- Western Pacific (1985)
- Union Pacific (1985)

SOO LINE
- Chicago, Milwaukee, St. Paul and Pacific (1984)

( ) Last year reporting separately

RAILROAD UNIFICATIONS

Effective Date of Unification	Type of Unification	Applicant Railroads	Controlling Railroad/Company
8-31-57	Merger	Nashville, Chattanooga & St. Louis	Louisville & Nashville
1-01-58	Merger	Litchfield & Madison	Chicago & North Western
10-06-58	Control	Spokane International	Union Pacific
12-01-59	Merger	Virginian	Norfolk & Western
1-28-30	Control	Toledo, Peoria & Western	Atchison, Topeka & Santa Fe and Pennsylvania
1-01-60	Merger	Charleston & Western Carolina	Atlantic Coast Line
7-01-60	Merger	Missouri-Kansas-Texas of Texas	Missouri-Kansas-Texas
10-17-60	Merger	Erie & Delaware, Lackawanna & Western	Erie-Lackawanna
11-01-60	Merger	Minneapolis & St. Louis	Chicago & North Western
1-01-61	Merger	Minneapolis, St. Paul & Sault Ste. Marie, Duluth, South Shore & Atlantic and Wisconsin Central	Soo Line
10-31-61	Merger	Texas & New Orleans	Southern Pacific
5-17-62	Control	Lehigh Valley	Pennsylvania Railroad
2-04-63	Control	Baltimore & Ohio	Chesapeake & Ohio
6-18-63	Control	Central of Georgia	Southern
7-01-63	Control	Georgia & Florida	Southern
9-03-63	Control	Ann Arbor	Detroit, Toledo & Ironton
1-01-64	Merger	St. Louis, San Francisco & Texas	St. Louis-San Francisco
9-25-64	Control	Kansas-Oklahoma & Gulf	Texas & Pacific
10-16-64	Merger	New York, Chicago & St. Louis	Norfolk & Western
10-16-64	Control	Akron, Canton & Youngstown	Norfolk & Western
8-01-65	Merger	Gulf, Colorado & Santa Fe & Panhandle & Santa Fe	Atchison, Topeka & Santa Fe
8-12-65	Merger	Pacific Electric	Southern Pacific
1-03-67	Control	Chicago, South Shore & South Bend	Chesapeake & Ohio
5-21-67	Control	Chicago & Eastern Illinois	Missouri Pacific
7-01-67	Merger	Atlantic Coast Line, Seaboard Air Line	Seaboard Coast Line
2-01-68	Merger	Pennsylvania Railroad, New York Central	Penn Central
3-29-68	Control	Western Maryland	Chesapeake & Ohio and Baltimore & Ohio
4-01-68	Control	Erie Lackawanna	Norfolk & Western
7-01-68	Merger	Chicago Great Western	Chicago & North Western
7-01-68	Control	Delaware & Hudson	Norfolk & Western
8-01-68	Control	Alton & Southern	Missouri Pacific and Chicago & North Western
1-31-69	Merger	New Orleans & Northeastern	Alabama Great Southern
2-01-69	Merger	Penn Central & New York, New Haven & Hartford	Penn Central
7-01-69	Merger	Piedmont & Northern	Seaboard Coast Line
3-02-70	Merger	Great Northern, Northern Pacific and Chicago, Burlington & Quincy	Burlington Northern
4-01-70	Merger	Kansas, Oklahoma & Gulf	Texas & Pacific
5-31-71	Merger	Central of Georgia, Georgia & Florida, Savannah & Atlanta and Wrightsville & Tenille	Central of Georgia
7-31-71	Merger	Monon	Louisville and Nashville
8-10-72	Merger	Illinois Central & Gulf, Mobile & Ohio	Illinois Central Gulf
6-15-73	Consolidation	Baltimore & Ohio, Chesapeake & Ohio and Western Maryland	Chessie System
1-01-74	Merger	Carolina & Northwestern	Norfolk & Western
4-01-76	Consolidation	Central Railroad of New Jersey, Erie-Lackawanna, Lehigh & Hudson River, Lehigh Valley, Penn Central, Reading and Ann Arbor	Consolidated Rail Corp. (Conrail)
10-16-76	Merger	Texas & Pacific and Chicago & Eastern Illinois	Missouri Pacific
11-01-78	Merger	Abilene & Southern, Fort Worth Belt, Missouri-Illinois, New Orleans & Lower Coast, St. Joseph Belt, Texas-New Mexico and Union Terminal	Missouri Pacific
11-10-78	Control	Green Bay & Western	Itel Corp

RAILROAD UNIFICATIONS

(Continued)

Effective Date of Unification	Type of Unification	Applicant Railroads	Controlling Railroad/Company
6-24-80	Control	Grand Trunk Western and Detroit, Toledo & Ironton	Grand Trunk Western
11-01-80	Consolidation	Chessie System and Family Lines	CSX Corporation
11-21-80	Merger	Burlington Northern and St. Louis-San Francisco	Burlington Northern
4-13-81	Control	Grand Trunk Western and Detroit & Toledo Shore Line	Grand Trunk Western
6-16-81	Control	Maine Central	Guilford Transportation Industries
1-01-82	Merger	Burlington Northern, Colorado & Southern, Fort Worth & Denver, Burlington Northern (Oregon-Washington) and Walla Walla Valley	Burlington Northern
6-01-82	Consolidation	Southern and Norfolk & Western	Norfolk Southern Corp.
12-22-82	Merger	Union Pacific, Missouri Pacific and Western Pacific	Union Pacific Corp.
1-01-83	Consolidation	Family Lines and Louisville & Nashville	Seaboard System
7-01-83	Control	Boston & Maine	Guilford Transportation Industries
1-05-84	Control	Delaware & Hudson	Guilford Transportation Industries
2-19-85	Control	SOO Line and Chicago, Milwaukee, St. Paul & Pacific	SOO Line
3-26-87	Control	Conrail - 85% government control	Conrail - private sector

CLASS I RAILROAD SYSTEMS

Atchison, Topeka and Santa Fe Railway Company

	Percent Ownership
Alameda Belt Line Railroad Company	50.00 %
Central California Traction	33.33
Denver Union Terminal Railway Company	16.67
Kansas City Terminal Railway	8.33
Oakland Terminal Railway	50.00
Sunset Railway Company	50.00
Texas City Terminal Railway	33.33
Wichita Union Terminal Railway Company	33.33

Burlington Northern Railroad Company

Burlington Northern Dock Corporation	100.00
Burlington Northern (Manitoba LTD)	100.00
Camas Prairie	50.00
Davenport Rock Island and North West Railway	50.00
Denver Union Terminal	33.33
Galveston Terminal Railway	100.00
Iowa Transfer Railway	25.00
Kansas City Terminal	16.67
Lake Superior Terminal and Transfer Rwy of Wisconsin	66.67
Longview Switching Compnay	50.00
Minnesota Transfer Railway	33.33
Portland Terminal Railroad	40.00
Paducah and Illinois	33.33
Terminal Railroad Association of St. Louis	14.28
Wichita Union Terminal Railway Company	33.33
Winona Bridge	66.67

Chicago and North Western Transportation Company

Iowa Transfer Railway	25.00
Kansas City Terminal Railway	8.33
Lake Superior Terminal and Transfer Rwy of Wisconsin	16.67
Minnesota Transfer Railway	33.33
Western Railroad Properties	100.00

CSX Transportation

Akron and Barberton Belt Railroad	25.00
Baltimore and Ohio Chicago Terminal	100.00
Carrolton Railroad	100.00
Chessie System (C&O and B&O)	100.00
Chicago and Western Indiana Railroad Company	20.00
Gainesville Midland	100.00
Monongahela Railway Company	33.33
Nicholas, Fayette and Greenbriar	50.00
Norfolk and Portsmouth Belt Line Railroad	N/A
Paducah and Illinois	33.33
Seaboard System	100.00
Terminal Railroad Association of St. Louis	12.50
Western Railway of Alabama	100.00
Woodstock and Blockton Railroad	50.00

Consolidated Rail Corporation (Conrail)

Akron and Barbeton Belt Railroad	50.00
Albany Port Authority	50.00
Calumet Western Railway	50.50
Chicago and Western Indiana Railroad Company	20.00
Indiana Harbor Belt Railroad Company	51.00
Monongahela Railway Company	33.33
Pittsburgh, Chartiers and Youghiogheny Railway	50.00

CLASS I RAILROAD SYSTEMS
(Continued)

	Percent Ownership
Denver and Rio Grande Western Railroad	
Denver Union Terminal Railway Company	16.67 %
Florida East Coast Railway	
Grand Trunk Western Railroad Corporation	
Central Vermont Railway Company	100.00
Chicago and Western Indiana Railroad Company	20.00
Duluth, Winnipeg and Pacific Railway	100.00
Guilford Industries	
Boston and Maine	100.00
Delaware and Hudson	100.00
Maine Central	100.00
Illinois Central Gulf Railroad	
Kansas City Terminal Railway	8.33
Paducah and Illinois	33.33
Terminal Railroad Association of St. Louis	12.50
Waterloo Railroad	N/A
Kansas City Southern Railway	
Arkansas and Western Railway	100.00
Fort Smith and Van Buren Railway Company	100.00
Kansas and Missouri Railway and Terminal Company	100.00
Kansas City Terminal Railway	8.33
Missouri-Kansas-Texas Railroad	
Kansas City Terminal Railway	8.33
Texas City Terminal Railway	33.33
Terminal Railroad Association of St. Louis	6.25
Norfolk Southern Corporation	
Akron and Barberton Belt Railroad	25.00
Alabama Great Southern Railroad Company	100.00
Algers, Winslow and Western	50.00
Atlanta and East Carolina Railway	100.00
Camp LeJeune Railroad Company	100.00
Carolina and Northwestern Railroad Company	100.00
Central of Georgia Railroad Company	100.00
Chesapeake Western Railway	100.00
Chicago and Western Indiana Railroad Company	20.00
Cincinnati, New Orleans and Texas Pacific	100.00
Des Moines Union Railway Company	50.00
Fort Wayne Union Railway Company	50.00
Georgia Northern Railway Company	100.00
Georgia Southern and Florida Railway	100.00
Interstate Railroad Company	100.00
Kansas City Terminal Railway	8.33
Live Oak Perry & South Georgia Railway	100.00

CLASS I RAILROAD SYSTEMS

(Continued)

	Percent Ownership
Norfolk Southern (continued)	
Louisiana Southern Railway	100.00 %
New Orleans Terminal Company	100.00
Norfolk and Portsmouth Belt Line	57.14
St. Johns River Terminal	100.00
State University Railroad Company	54.02
Tennessee, Alabama and Georgia Railway	100.00
Tennessee Railway Company	100.00
Terminal Railroad Association of St. Louis	12.50
Woodstock and Blockton Railroad Company	50.00
SOO Line Railroad	
Davenport, Rock Island and North West Railway	50.00
Indiana Harbor Belt Railway	49.00
Kansas City Terminal Railway	8.33
Lake Superior Term. & Trans. Railway Co. of Wisconsin	16.67
MT Properties	11.11
Southern Pacific Transportation Company	
Central California Traction Company	33.33
Harbor Belt Line Railroad Company	33.33
Northwestern Pacific Railroad	100.00
Portland Terminal Railroad	20.00
Portland Traction Company	50.00
Sunset Railway Company	50.00
Visalia Electric Railroad Company	100.00
Union Pacific Railway	
Alameda Belt Line	50.00
Arkansas, Memphis Railway Bridge and Terminal	33.33
Brownsville and Matamoros Bridge Terminal	50.00
Camas Prairie	50.00
Central California Traction	33.33
Chicago Heights Terminal and Transportation	100.00
Chicago and Western Indiana Railroad Company	20.00
Denver Union Terminal	16.67
Doniphan, Kensett and Searcy Railroad	100.00
Great Southwest Railroad	100.00
Harbor Belt Line	33.33
Kansas City Terminal Railway Company	16.67
Longview Switching Company	33.33
Missouri Pacific	100.00
Mt. Hood Railway	100.00
Oakland Terminal Railway Company	50.00
Ogden Union Railway and Depot Company	50.00
Portland Terminal Railroad	40.00
Portland - Traction Company	50.00
Sacremento Northern	100.00
Southern Illinois and Missouri Bridge Company	60.00
Spokane International	100.00
St. Joseph Terminal Company	50.00
Terminal Railroad Association of St. Louis	18.75
Texas City Terminal Railway	33.33
Tidewater Southern	100.00
Weatherford, Mineral Wells and Northwestern Railway	100.00
Western Pacific	100.00

THE ECONOMY, TRANSPORTATION AND THE RAILROADS

RAILROADS AND THE ECONOMY IN 1986

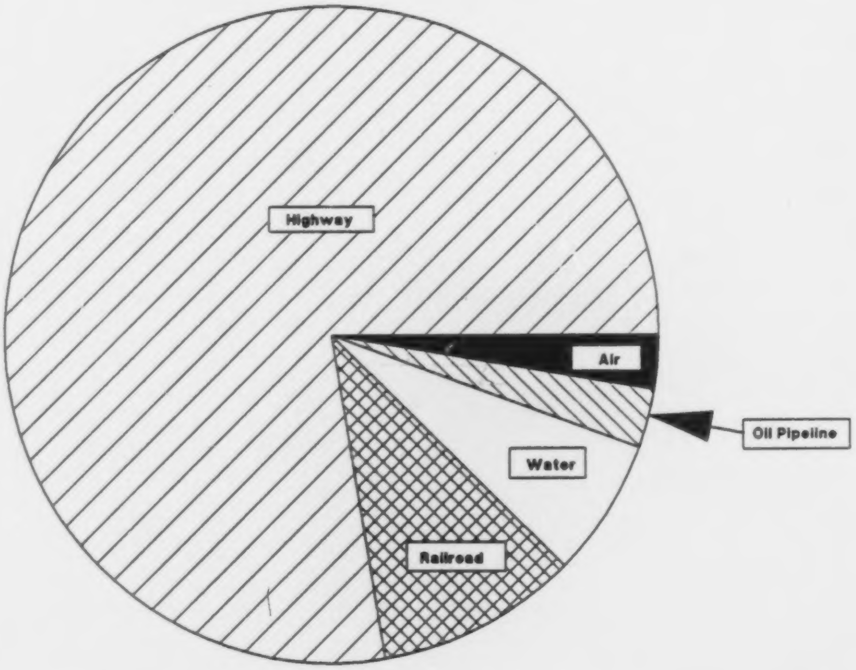
1. **Rail revenues equal 0.6 percent of GNP.**

2. **Railroads handle 35.7 percent of the nation's intercity freight traffic in ton-miles.**

3. **Railroads employ 10.9 percent of the total persons involved in transportation services.**

4. **Railroad investment in new plant and equipment accounts for 35.4 percent of total transportation investment.**

NATION'S FREIGHT BILL - 1986



Source: Transportation in America, Transportation Policy Associates and Bureau of Labor Statistics.

RAILROAD INFLATION

	Rail Cost Adjustment Factor		
Period	(10/1/80=100)	(1Q 82=100)	Adjusted for Forecast Error
10/1/80	100.0		
4Q 80	100.7		
1Q 81	105.7		
2Q 81	107.8		
3Q 81	110.8		
4Q 81	112.4		
1Q 82	117.7	100.0	
2Q 82	115.3		
3Q 82	115.9		
4Q 82	115.9	98.4	
1Q 83	118.9	101.0	
2Q 83	115.3	97.9	
3Q 83	117.6	99.9	
4Q 83	119.2	101.2	
1Q 84	124.0	105.3	
2Q 84	124.0	105.3	
3Q 84	124.5	105.8	
4Q 84	124.0	105.3	
1Q 85	123.4	104.8	
2Q 85	122.7	104.2	
3Q 85	122.4	104.0	
4Q 85	119.1	101.2	
1Q 86	125.9	106.9	
2Q 86	120.4	102.3	
3Q 86	122.4	104.0	
4Q 86	122.9	104.4	
1Q 87	126.1	107.1	106.2
2Q 87	125.8	106.9	106.8
3Q 87	127.0	107.9	108.7

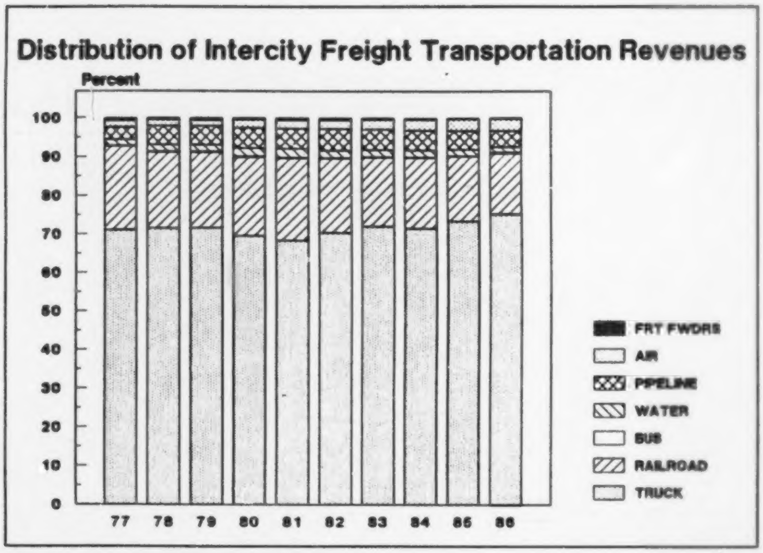
Source: ICC decisions in Ex Parte No. 290 (Sub No. 2), Railroad Cost Recovery Procedures, based on cost index calculated by the AAR.

DISTRIBUTION OF INTERCITY FREIGHT TRANSPORTATION REVENUES

REVENUES OF REGULATED AND NON-REGULATED CARRIERS

Mode	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
	(Millions of Dollars)									
Truck										
Regulated	$31,000	$36,500	$41,200	$43,000	$47,900	$44,100	$46,500	$52,100	$54,200	$58,100
Non-Regulated	36,356	43,069	48,963	51,551	49,993	55,840	64,598	68,600	74,600	77,900
Railroads	20,463	21,896	24,673	27,702	30,502	27,134	27,325	30,549	29,150	27,808
Bus	179	205	219	235	260	249	246	245	240	231
Water										
Inland	1,125	1,300	1,497	2,395	2,652	2,419	2,380	2,603	2,449	2,440
Great Lakes	326	521	593	513	570	335	404	475	461	446
Oil Pipe Lines										
Regulated	2,792	4,907	5,585	6,356	6,678	7,140	7,472	7,824	7,461	7,287
Non-Regulated	417	545	621	706	742	793	830	869	829	810
Domestic Air	1,484	1,729	1,846	2,802	3,165	3,244	3,785	4,662	5,498	5,860
Freight Fwdrs.	596	583	701	721	810	693	628	506	378	265
TOTAL	$94,738	$111,255	$125,898	$135,981	$143,272	$141,947	$154,168	$168,433	$175,266	$181,147
	(Percent of Total Revenues)									
Truck										
Regulated	32.7 %	32.8 %	32.7 %	31.6 %	33.4 %	31.1 %	30.2 %	30.9 %	30.9 %	32.1 %
Non-Regulated	38.4	38.7	38.9	37.9	34.9	39.3	41.9	40.7	42.6	43.0
Railroads	21.6	19.7	19.6	20.4	21.3	19.1	17.7	18.1	16.6	15.4
Bus	.2	.2	.2	.2	.2	.2	.2	.1	.1	.1
Water										
Inland	1.2	1.2	1.2	1.8	1.9	1.7	1.5	1.5	1.4	1.3
Great Lakes	.3	.5	.5	.4	.4	.2	.3	.3	.3	.2
Oil Pipe Lines										
Regulated	2.9	4.4	4.4	4.7	4.7	5.0	4.8	4.6	4.3	4.0
Non-Regulated	.4	.5	.5	.5	.5	.6	.5	.5	.5	.4
Domestic Air	1.6	1.6	1.5	2.1	2.2	2.3	2.5	2.8	3.1	3.2
Freight Fwdrs.	.6	.5	.6	.5	.6	.5	.4	.3	.2	.1
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Transportation in America, Transportation Policy Associates.



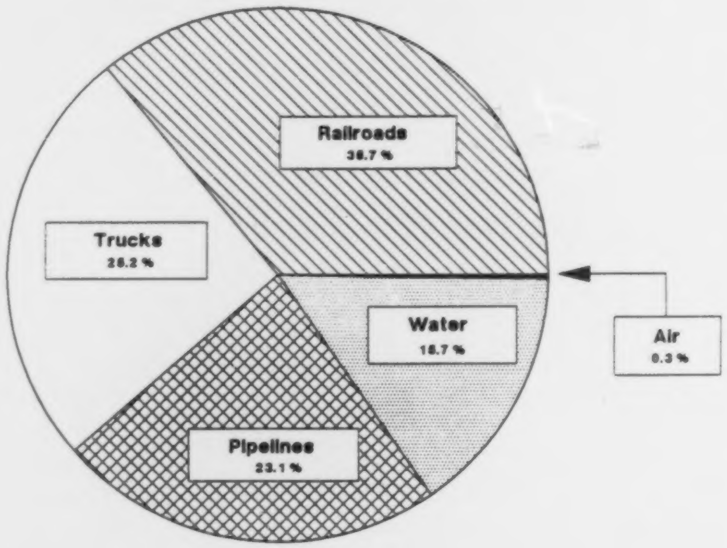
DISTRIBUTION OF INTERCITY FREIGHT TRAFFIC: TON-MILES

Percentage of Intercity Ton-Miles

Year	Railroads	Trucks	Water	Oil Pipelines	Air
1977	36.1 %	24.1 %	15.9 %	23.7 %	0.2 %
1978	35.2	24.3	16.6	23.8	0.2
1979	36.0	23.6	16.6	23.6	0.2
1980	37.5	22.3	16.4	23.6	0.2
1981	38.1	21.7	16.8	23.2	0.2
1982	36.0	23.1	15.6	25.1	0.2
1983	36.0	24.6	15.4	23.8	0.3
1984	37.2	24.1	15.9	22.6	0.3
1985	36.4	24.9	15.6	22.9	0.3
1986	35.7	25.2	15.7	23.1	0.3

Source: Transportation in America, Transportation Policy Associates.

INTERCITY TON-MILES - 1986



DISTRIBUTION OF INTERCITY FREIGHT TRAFFIC: TONS CARRIED

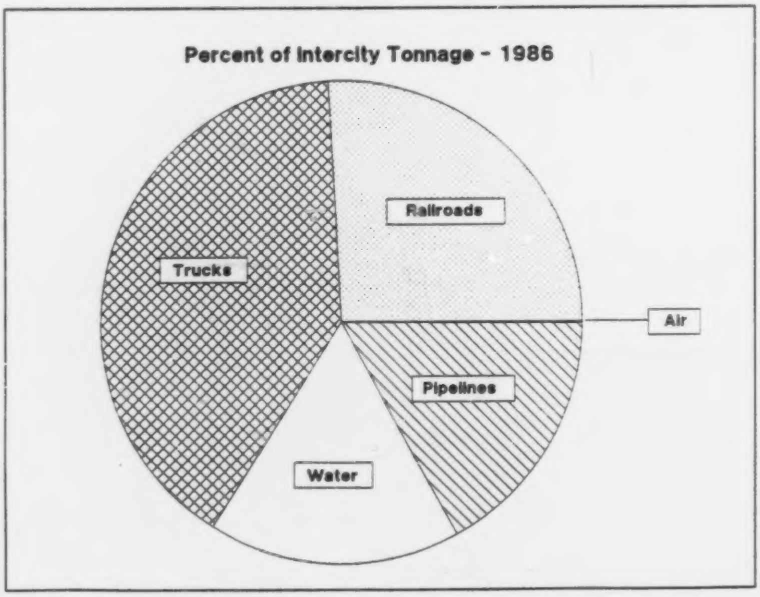
Percent of Intercity Tonnage

Year	Railroads	Trucks	Water	Oil Pipelines	Air
1977	26.7 %	39.1 %	16.1 %	18.0 %	0.1 %
1978	25.9	39.6	17.2	17.2	0.1
1979	27.6	38.6	16.9	16.8	0.1
1980	28.9	36.5	17.8	16.7	0.1
1981	28.9	36.7	17.8	16.5	0.1
1982	27.4	36.4	17.9	18.2	0.1
1983	27.1	37.8	17.3	17.7	0.1
1984	27.6	38.5	17.2	16.6	0.1
1985	26.5	39.3	17.2	16.9	0.1
1986	25.9	40.1	17.0	16.9	0.1

Notes: In addition to regulated carriers, for-hire and private carriers are included in the above data.

Water tonnage includes Coastwise traffic.

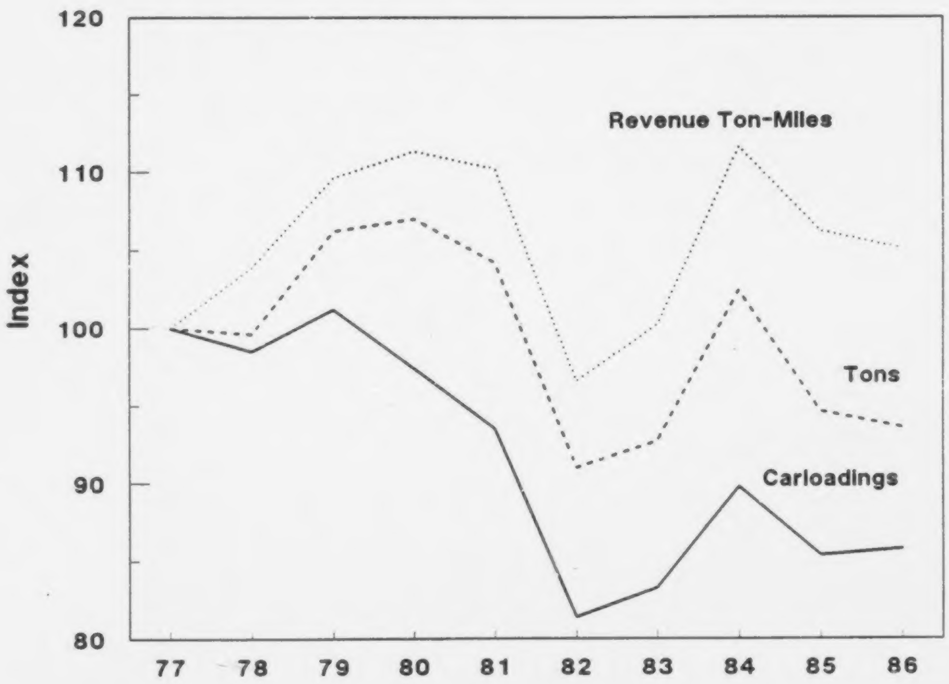
Source: Transportation in America, Transportation Policy Associates.



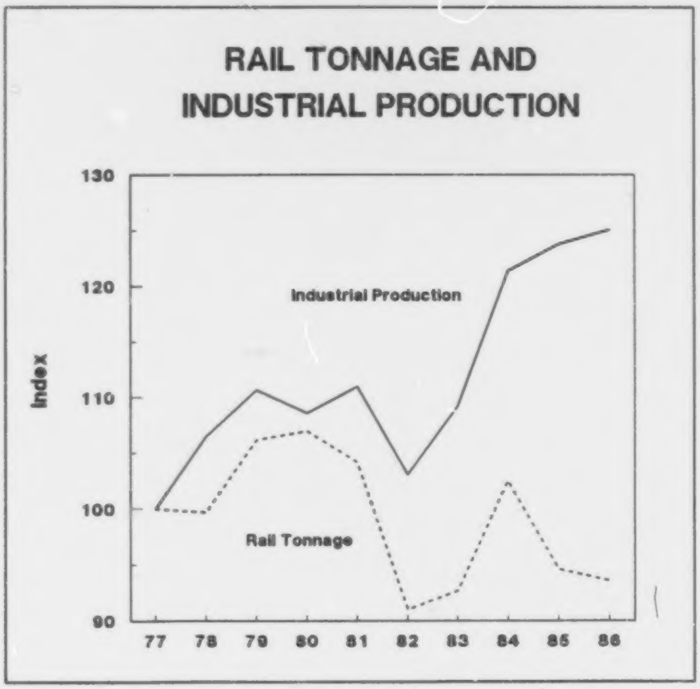
RAILROAD FREIGHT TRAFFIC

Year	Carloadings (thousands)	Tons Originated (millions)	Revenue Ton-Miles (billions)
1977	22,823	1,395	826
1978	22,477	1,390	858
1979	23,086	1,481	905
1980	22,223	1,492	919
1981	21,343	1,453	910
1982	18,585	1,269	798
1983	19,013	1,293	828
1984	20,946	1,429	922
1985	19,501	1,320	877
1986	19,589	1,306	868

Source: Analysis of Class I Railroads.



INDUSTRIAL PRODUCTION VS. TONNAGE



Year	Index of Industrial Production	Index of Rail Tonnage
1977	100.0	100.0
1978	106.5	99.7
1979	110.7	106.2
1980	108.6	107.0
1981	111.0	104.2
1982	103.1	91.0
1983	109.2	92.7
1984	121.4	102.5
1985	123.8	94.6
1986	125.1	93.6

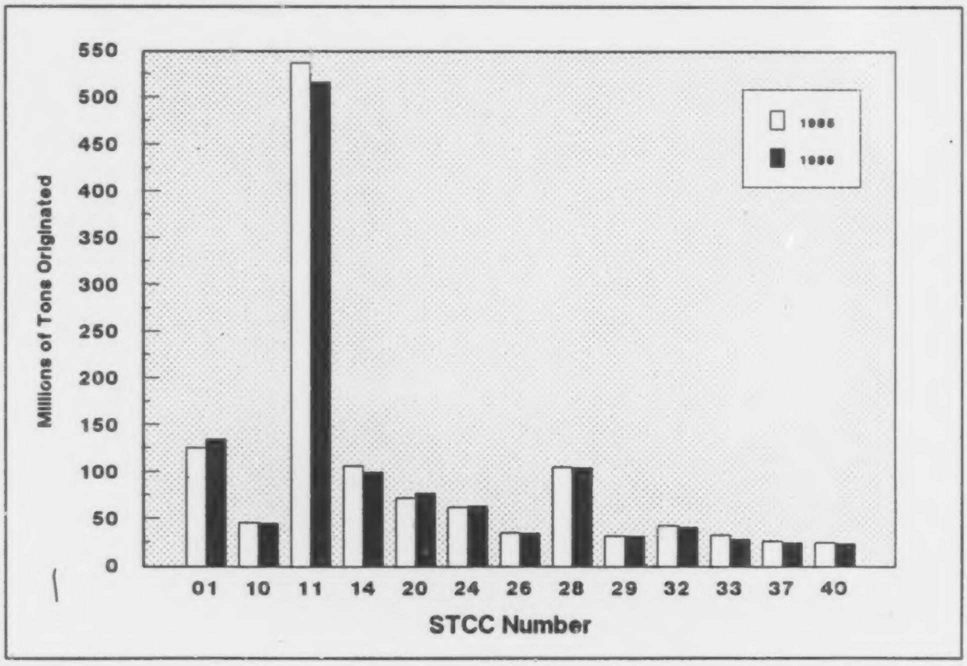
Sources: Industrial Production - Economic Report to the President; Tons Originated - Analysis of Class I Railroads.

RAILROAD TONNAGE BY MAJOR COMMODITY GROUPS

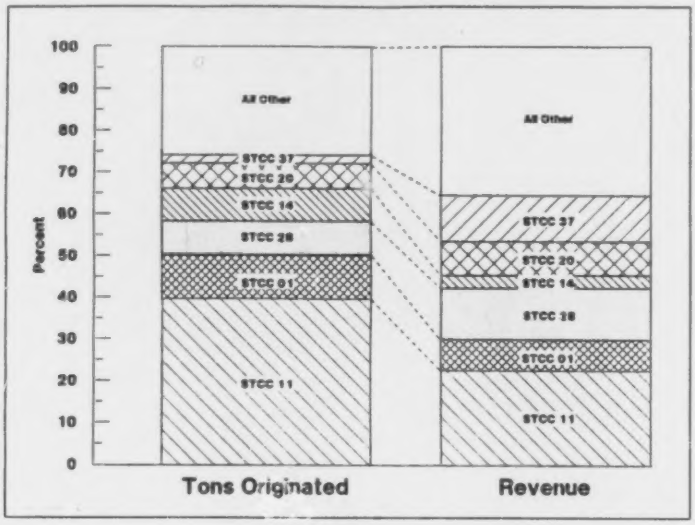
(Millions of Tons Originated)

Commodity	STCC No.	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Farm Products	01	121.9	128.7	138.5	156.1	139.9	133.5	142.2	151.1	127.0	136.4
Metallic Ores	10	83.2	112.5	83.1	105.4	113.8	62.6	68.4	85.5	46.9	46.4
Coal	11	414.9	383.1	473.7	522.1	527.6	523.8	493.6	566.6	538.0	517.5
Nonmetallic Minerals	14	139.6	134.7	132.2	124.8	110.0	84.7	96.5	108.2	107.7	101.2
Food & Kindred Products	20	98.7	95.4	93.2	91.9	82.8	77.0	75.2	72.1	73.5	78.3
Lumber & Wood Products	24	99.3	95.1	92.9	85.5	80.3	65.9	71.7	69.8	63.2	64.9
Pulp, Paper & Allied Products	26	44.9	41.4	42.4	42.1	41.6	36.4	36.6	37.7	36.2	35.6
Chemicals & Allied Products	28	104.3	106.7	112.4	108.3	105.9	91.2	99.3	107.4	106.4	105.6
Petroleum & Coal Products	29	46.2	44.4	43.7	38.1	39.0	31.6	33.6	35.3	32.9	32.8
Stone, Clay & Glass Products	32	59.9	59.9	61.4	53.7	49.2	38.2	41.6	44.8	43.5	42.1
Primary Metal Products	33	55.2	60.1	63.9	52.7	53.3	32.0	32.0	36.1	33.6	29.7
Transportation Equipment	37	33.6	32.2	30.6	23.9	22.2	18.8	22.2	26.1	27.2	25.9
Waste and Scrap Material	40	36.1	37.8	38.5	34.3	34.1	22.7	24.5	28.8	25.7	25.0

Source: Freight Commodity Statistics.



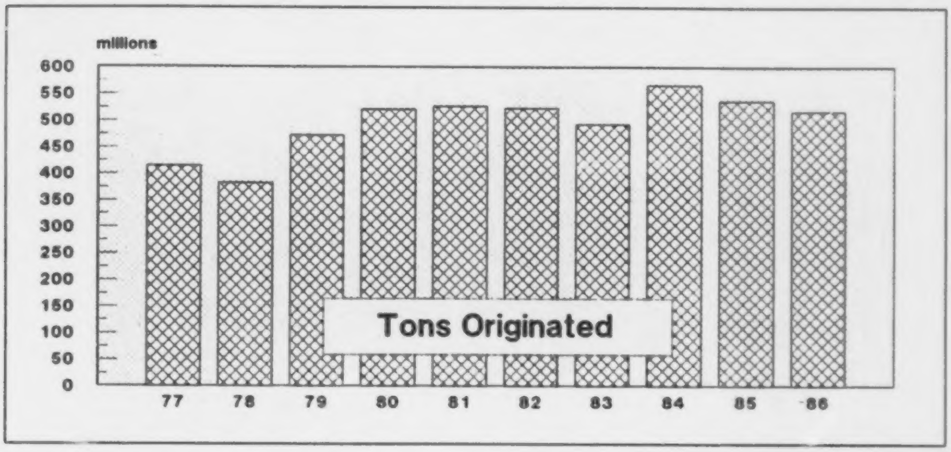
RAIL DISTRIBUTION OF TONNAGE AND REVENUE AMONG MAJOR COMMODITY GROUPS IN 1986



STCC	Commodity	Percent of Total Tons Originated (percent)	Percent of Freight Revenue (percent)	Rank Tons	Rank Rev.
11	Coal	39.6 %	22.4 %	1	1
01	Farm Products	10.5	7.4	2	5
28	Chemicals & Allied Products	8.1	12.4	3	2
14	Nonmetallic Minerals	7.8	3.1	4	9
20	Food & Kindred Products	6.0	8.1	5	4
24	Lumber & Wood Products	5.0	5.7	6	7
10	Metallic Ores	3.6	1.4	7	13
32	Stone, Clay & Glass Products	3.2	3.5	8	8
26	Pulp, Paper & Allied Products	2.7	5.8	9	6
29	Petroleum & Coal Products	2.5	2.8	10	11
33	Primary Metal Products	2.3	3.0	11	10
37	Transportation Equipment	2.0	11.0	12	3
40	Waste and Scrap Materials	1.9	1.6	13	12
	Subtotal	**95.2 %**	**88.0 %**	--	--
	All Others	4.8	12.0	--	--
	TOTAL	**100.0 %**	**100.0 %**		

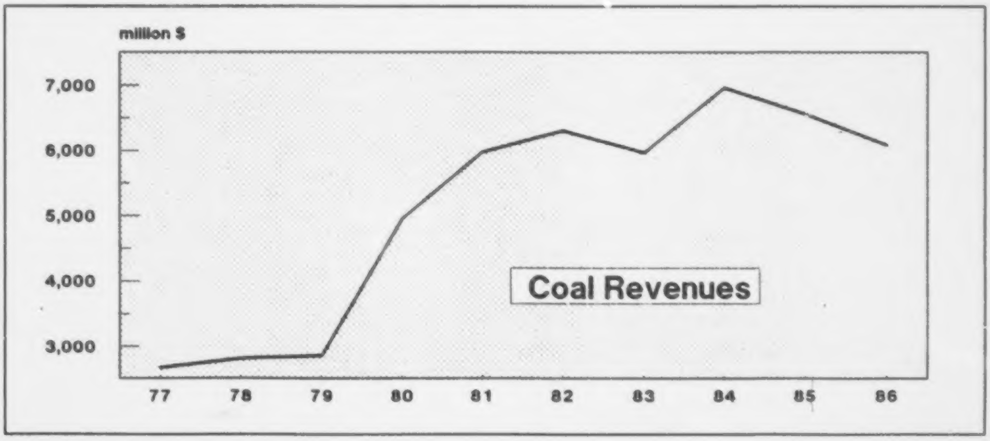
Source: Freight Commodity Statistics.

RAIL TRANSPORTATION OF COAL



Year	Tons Orig. (millions)	Carloads (thousands)	Revenues (million $)	Coal as Percent of Total Traffic		
				Tonnage	Carloads	Revenues
1977	415	4,725	$2,677	29.6 %	21.0 %	13.8 %
1978	383	4,372	2,813	27.6	19.5	13.5
1979	473	5,321	3,863	31.9	23.0	16.1
1980	522	5,789	4,956	35.0	26.0	18.4
1981	528	5,835	5,977	36.3	27.3	20.2
1982	524	5,718	6,307	41.3	30.8	23.8
1983	494	5,276	5,969	38.2	27.7	22.4
1984	567	6,061	6,965	39.6	28.9	23.3
1985	538	5,684	6,556	40.8	29.1	23.2
1986	518	5,433	6,089	39.6	27.7	22.4

Source: Analysis of Class I Railroads.

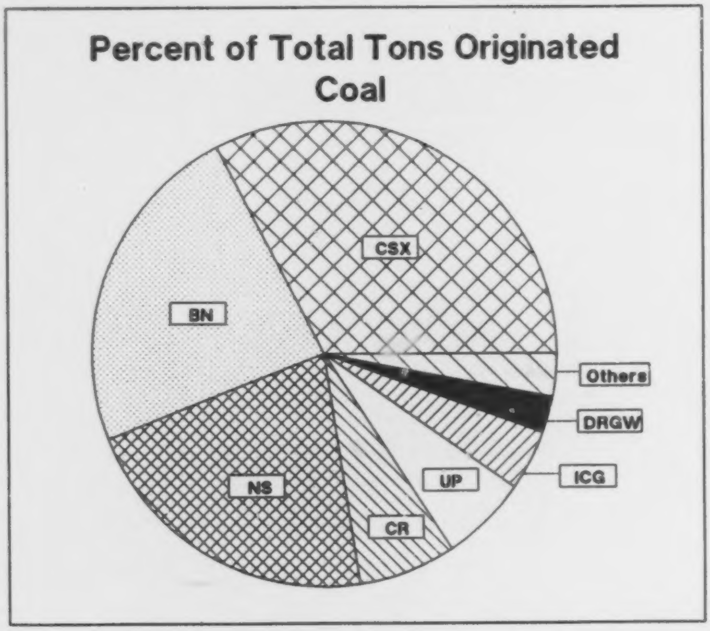


MAJOR COAL RAILROAD SYSTEMS

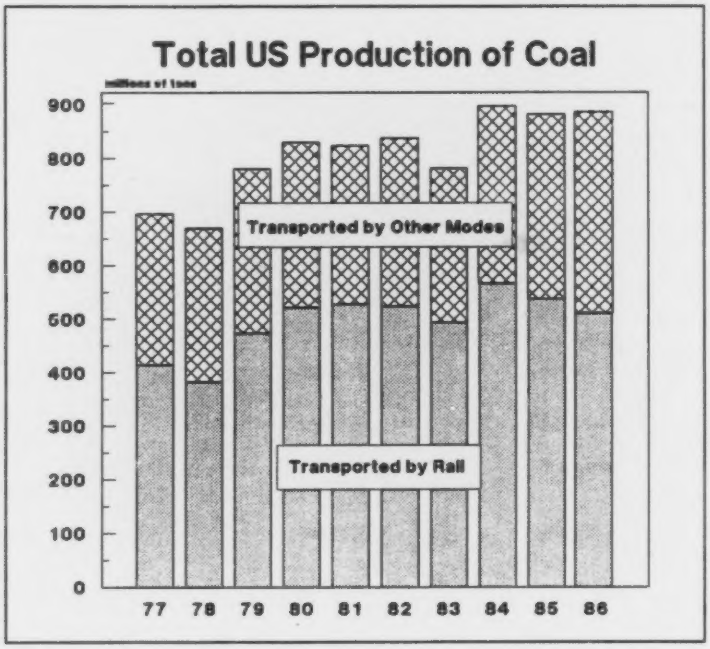
(1986)

Railroad System	Tons Originated (millions)	Percent of Total
CSX Corporation	168.4	32.5 %
Burlington Northern	121.3	23.4
Norfolk Southern	111.0	21.4
Conrail	35.1	6.8
Union Pacific Corporation	30.8	6.0
Illinois Central Gulf	21.9	4.2
Denver & Rio Grande Western	13.4	2.6
Top Seven	501.9	97.0 %
Others	15.6	3.0 %
TOTAL	517.5	100.0 %

Source: Freight Commodity Statistics.



RAIL COAL TRAFFIC AS A PERCENT OF DOMESTIC COAL PRODUCTION



		Transported by Rail	
Year	Total Tons U.S Production (millions)	Tons (millions)	Percent of Production
1977	697	415	59.5 %
1978	670	383	57.2
1979	781	473	60.6
1980	830	522	62.9
1981	824	528	64.1
1982	838	524	62.5
1983	782	494	63.3
1984	896	567	63.3
1985	884	538	60.9
1986	888	518	58.3

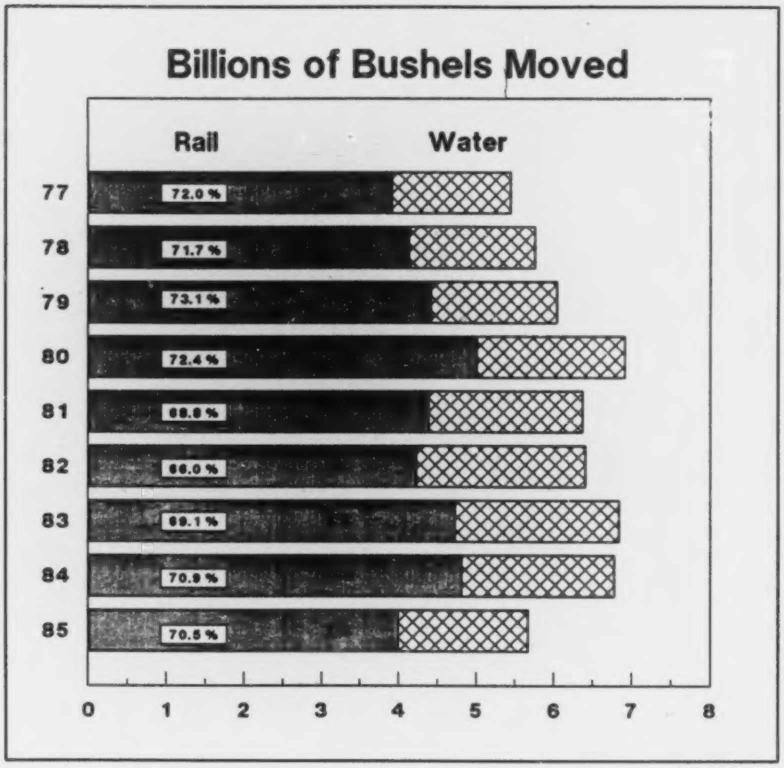
Note: Above data include bituminous, lignite and anthracite coal.

Source: DOE, Energy Information Administration, Annual Energy Review 1986; and Freight Commodity Statistics.

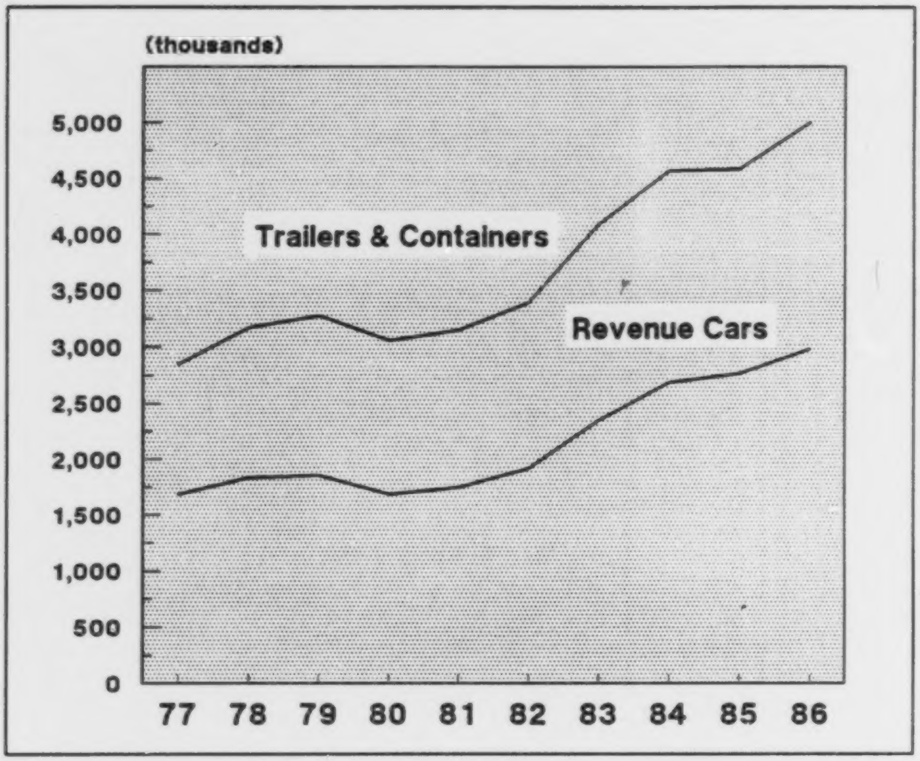
RAILROAD SHARE OF GRAIN TRAFFIC

	Billions of Bushels Moved		Percent of Total	
Year	Rail	Water	Rail	Water
1977	3.911	1.524	72.0 %	28.0 %
1978	4.125	1.628	71.7	28.3
1979	4.410	1.622	73.1	26.9
1980	5.004	1.908	72.4	27.6
1981	4.379	1.986	68.8	31.2
1982	4.223	2.180	66.0	34.0
1983	4.724	2.113	69.1	30.9
1984	4.808	1.971	70.9	29.1
1985	3.994	1.670	70.5	29.5
1986	4.293	N/A	--	--

Source: Marketing Service Reports, U.S. Department of Agriculture.



RAILROAD PIGGYBACK TRAFFIC



Year	Revenue Cars	Trailers & Containers
1977	1,688,806	2,850,231
1978	1,840,588	3,177,291
1979	1,857,705	3,278,163
1980	1,687,121	3,059,402
1981	1,752,479	3,150,522
1982	1,920,377	3,396,973
1983	2,347,530	4,090,078
1984	2,688,949	4,565,743
1985	2,768,493	4,588,604
1986	2,982,276	5,005,968

Source: AAR Transportation Division.

FINANCIAL STATEMENTS

NOTES

- Effective 1978 a revised railroad "Uniform System of Accounts" was implemented for annual reports submitted to the ICC. The change to the new system of accounts affects the comparability of financial statements prepared before and after 1978.

- Beginning in 1983 , the ICC required the railroad industry to change its method of accounting for track and related structures. Track structure includes the cost of rails, ties, other track material, ballast, and track laying and surfacing labor. Prior to 1983, the RRB (Retirement, Replacement, Betterment) method was used, whereby new track structures and ensuing betterments were capitalized, but not depreciated; track repairs and replacements in kind were expensed. The original cost, less salvage value, was charged to expense only when the track structure was retired, such as in an abandonment or major realignment of the track. When railroads changed to the more traditional method of Ratable Depreciation in 1983, the ICC directed the industry to restate the value of track assets by recording the actual cost of track structure in place reduced by accumulated depreciation (based on the expired portion of the track structure's estimated useful life). Because of this change in accounting for track structures, certain pre- and post-1983 financial data are not comparable. For example, income statement and balance sheet accounts were affected by the change. On the Statement of Financial Results (income statement), in addition to the increase in depreciation expense and the decrease in maintenance expenses, the income taxes and all the income accounts including Net Railway Operating Income were affected. On the Statement of Financial Position (balance sheet), the change affected the balance in net road assets, accumulated deferred taxes, and shareholders' equity accounts. Finally, capital expenditures for road increased. The change to depreciation accounting by the railroad industry resulted in all transportation operating properties reporting on a uniform accounting basis and enhanced comparability of railroad financial reports with those of other transportation companies and other industries.

- In 1985 and 1986 some railroads recorded significant "special charges" to recognize the diminished value of certain assets and to record the cost associated with programs to reduce employee levels. The railroads reported these expenses in two categories: "railway operating expenses," and "unusual and infrequent items." For purposes of calculating ROI (return on investment), the ICC excluded all special charges from net railway operating income, and thus from the ROI calculation. Therefore, the ROI shown in TRENDS excludes special charges declared by the railroad industry in both 1985 and 1986.

STATEMENT OF FINANCIAL RESULTS

(Millions of Dollars)

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
OPERATING REVENUES										
Freight	$18,892	$20,338	$23,576	$26,350	$28,925	$25,627	$25,836	$28,472	$26,688	$25,344
Passenger	337	362	389	446	542	578	109	101	103	108
All Other Revenues	861	1,128	1,387	1,462	1,432	1,299	784	880	795	752
Total Operating Revenues	$20,090	$21,828	$25,352	$28,258	$30,899	$27,504	$26,729	$29,453	$27,586	$26,204
OPERATING EXPENSES										
Way & Structures	NA	$4,070	$4,601	$4,940	$5,536	$5,209	$4,107	$4,250	$4,333	$4,780
Equipment	NA	5,437	6,038	6,412	6,867	6,413	6,070	6,573	6,350	6,573
Transportation	NA	9,655	11,392	12,711	13,605	12,366	11,377	12,282	11,722	10,197
General & Administration	NA	1,959	2,058	2,292	2,579	2,502	2,551	2,696	2,822	3,347
Total Operating Expenses	$19,534	$21,121	$24,090	$26,355	$28,587	$26,490	$24,106	$25,800	$25,225	$24,896
NET REVENUE FROM OPERATIONS	$556	$706	$1,263	$1,902	$2,312	$1,013	$2,623	$3,653	$2,361	$1,308
OPERATING RATIO	97.23%	96.76%	95.02%	93.27%	92.52%	96.31%	90.19%	87.60%	91.44%	95.01%
OTHER INCOME	$796	$890	$1,106	$1,236	$2,113	$1,666	$1,266	$1,521	$1,337	$1,502
OTHER DEDUCTIONS	87	191	186	242	278	215	281	281	305	330
INCOME BEFORE FIXED CHARGES	$1,265	$1,405	$2,183	$2,897	$4,147	$2,465	$3,608	$4,893	$3,393	$2,480
TOTAL FIXED CHARGES	$679	$787	$847	$1,022	$1,119	$1,065	$989	$990	$934	$901
INCOME AFTER FIXED CHARGES	$586	$617	$1,336	$1,875	$3,028	$1,399	$2,619	$3,903	$2,459	$1,579
Contingent Interest	21	21	20	19	23	21	17	18	12	12
Unusual or Infrequent Items (dr.) cr.	(3)	(54)	(8)	(135)	18	114	26	1		(657)
Provision for Taxes:										
Federal	60	154	153	241	(5)	(50)	(52)	201	260	442
State & Other	NA	35	57	70	50	(9)	8	54	35	48
Provision for Deferred Taxes	176	96	214	281	937	399	895	930	365	(327)
Total Taxes	$236	$285	$424	$592	$982	$340	$851	$1,185	$660	$163
NET INCOME FROM CONTING. OPERATIONS	$326	$258	$884	$1,129	$2,041	$1,152	$1,778	$2,701	$1,788	$747
DISCONTINUED OPERATIONS (dr.) cr.	--	--	--	--	--	--	--	(48)	--	--
ORDINARY INCOME	$326	$258	$884	$1,129	$2,041	$1,152	$1,778	$2,654	$1,788	$747
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES (dr.) cr.	13	(56)	30	--	100	--	20	47	93	(203)
NET INCOME	$339	$202	$913	$1,129	$2,141	$1,152	$1,797	$2,701	$1,882	$544

STATEMENT OF FINANCIAL POSITION

(Millions of Dollars)

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
ASSETS										
Current Assets:										
Cash & Short Term Investments	$1,691	$1,638	$1,577	$1,864	$2,807	$2,915	$2,660	$3,336	$2,677	$3,168
Accounts Receivable (Net)	2,812	3,612	4.364	4,723	4,728	4,042	4,623	4,814	5,070	4,879
Materials and Supplies	1,228	1,283	1,610	1,795	1,724	1,516	1,175	1,294	1,145	928
Other Current Assets	258	283	230	295	405	341	347	377	458	159
Total Current Assets	**$5,989**	**$6,816**	**$7,781**	**$8,678**	**$9,665**	**$8,813**	**$8,804**	**$9,821**	**$9,350**	**$9,132**
Total Other Assets	**$4,996**	**$4,406**	**$5,107**	**$5,571**	**$6,273**	**$5,923**	**$5,694**	**$5,677**	**$4,627**	**$3,074**
Road and Equipment:										
Road	$15,847	$17,169	$16,940	$18,268	$19,642	$20,676	$36,943	$39,129	$41,161	$42,355
Equipment	18,577	19,696	21,020	22,921	23,718	23,688	22,624	22,321	21,098	21,475
Unallocated Items	1,513	498	834	820	688	647	874	973	756	795
Accum. Depr. & Amort.	9,595	10,065	10,201	10,744	11,537	11,980	19,526	19,879	19,638	20,889
Net Road and Equipment	**$26,341**	**$27,298**	**$28,593**	**$31,265**	**$32,512**	**$33,031**	**$40,916**	**$42,545**	**$44,186**	**$43,736**
TOTAL ASSETS	**$37,327**	**$38,520**	**$41,480**	**$45,514**	**$48,450**	**$47,767**	**$55,414**	**$58,043**	**$58,163**	**$55,942**
LIABILITIES										
Current Liabilities:										
Accounts Payable	$3,597	$4,185	$5,012	$5,545	$5,815	$5,468	$5,458	$5,886	$6,193	$6,347
Taxes Accrued	487	620	572	610	600	553	564	595	539	588
Other Current Liabilities	537	599	629	617	511	410	452	516	521	482
Equip. Obligatns. & Other LTD Due Within One Year	801	852	1,002	985	1,048	1,011	1,004	980	1,015	972
Total Current Liabilities	**$5,421**	**$6,255**	**$7,214**	**$7,756**	**$7,973**	**$7,442**	**$7,479**	**$7,977**	**$8,267**	**$8,390**
Long Term Liabilities:										
Funded Debt Unmatured	$4,721	$5,535	$4,367	$4,486	$4,245	$4,001	$4,113	$4,169	$3,822	$4,061
Equipment Obligations	5,032	5,124	5,624	6,164	6,204	5,741	5,131	4,691	4,353	3,927
Capital Lease Obligations	490	1,185	1,276	1,481	1,488	1,403	1,360	1,373	1,295	1,224
Debt in Default	364	344	207	207	170	170	141	56	0	0
Accounts Payable Affil. Co.	595	312	275	391	372	414	388	431	798	627
Accum. Deferred Income Tax Cred.	3,385	3,374	3,537	3,794	4,746	5,139	8,485	9,450	10,130	9,686
Other Long Term Liabilities	1,584	1,656	1,627	1,833	1,998	2,109	1,856	1,912	1,893	2,587
Total Long Term Liabilities	**$16,172**	**$16,530**	**$16,913**	**$18,358**	**$19,223**	**$18,977**	**$21,473**	**$22,080**	**$22,291**	**$22,111**
TOTAL LIABILITIES	**$21,593**	**$22,785**	**$24,127**	**$26,114**	**$27,197**	**$26,419**	**$28,952**	**$30,057**	**$30,558**	**$30,501**
SHAREHOLDERS' EQUITY										
Capital Stock	$4,413	$4,122	$4,225	$4,478	$4,569	$4,558	$4,322	$4,176	$3,874	$3,489
Common Stock	3,857	3,533	3,364	3,549	3,661	3,634	3,450	3,304	3,179	2,937
Preferred Stock	556	589	861	930	908	924	872	872	695	551
Additional Capital	$3,061	$4,159	$5,290	$6,806	$7,092	$7,301	$6,487	$6,503	$6,496	$6,259
Retained Earnings	$8,380	$7,569	$7,952	$8,199	$9,645	$9,504	$15,666	$17,318	$17,244	$15,699
Less: Treasury Stock	$120	$114	$114	$83	$53	$14	$14	$11	$9	$5
Net Shareholders' Equity	**$15,733**	**$15,735**	**$17,353**	**$19,400**	**$21,253**	**$21,349**	**$26,461**	**$27,986**	**$27,605**	**$25,442**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$37,327**	**$38,520**	**$41,480**	**$45,514**	**$48,450**	**$47,767**	**$55,414**	**$58,043**	**$58,163**	**$55,942**

STATEMENT OF CHANGES IN FINANCIAL POSITION

(Millions of Dollars)

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
SOURCES:										
Net Income Before Extraordinary Items	$326	$258	$884	$1,129	$2,041	$1,152	$1,778	$2,702	$1,788	$747
Retirement of Non-Depreciated Property	31	40	20	25	33	66	0	0	0	0
Loss on Sale/Disposal of Tangible Property	(50)	(48)	(65)	(122)	(123)	(156)	(86)	(74)	(133)	(169)
Depreciation Amortization Expense	896	998	1,053	1,185	1,213	1,231	1,866	1,882	2,193	2,919
Net Increase in Deferred Income Taxes	176	96	215	292	926	419	1,011	926	423	(316)
Net Decr. Parents' Share Subsidy Undistrib. Income for Year	(144)	(109)	(202)	(153)	(380)	8	36	(122)	69	(6)
Net Increase Noncurrent Portion Estimated Liabilities	107	169	151	204	(77)	64	55	42	100	326
Discontinued Operations, Extraordinary Items, Adjustment for Change in Accounting Principles & Other	34	78	125	193	271	(18)	449	16	207	861
Total Working Capital from Operations	$1,376	$1,482	$2,182	$2,754	$3,902	$2,764	$5,109	$5,372	$4,645	$4,361
Proceeds from Issuance of Long Term Liabilities	$2,039	$1,458	$1,588	$1,862	$1,114	$792	$876	$1,173	$1,064	$829
Proceeds from Sale/Disposal of Carrier Operating Property	260	245	236	278	414	368	836	385	518	867
Proceeds from Sale/Disposal of Tangible Property	47	63	97	138	139	109	66	72	83	17
Proceeds from Sale/Repayment of Investment Advances	251	127	238	267	503	596	812	1,282	683	300
Net Decrease in Sinking Fund & Other Special Funds	977	326	134	84	71	90	35	110	89	166
Proceeds from Issuance of Capital Stock	195	824	1,030	949	360	63	79	41	1	0
Other	416	742	187	391	375	504	458	359	159	412
Working Capital from Sources Other than Operations	$4,184	$3,786	$3,510	$3,968	$2,976	$2,522	$3,163	$3,421	$2,598	$2,592
Total Sources of Working Capital	**$5,560**	**$5,267**	**$5,692**	**$6,722**	**$6,879**	**$5,286**	**$8,272**	**$8,793**	**$7,243**	**$6,953**
USES:										
Acquired or Retired Long-Term Liabilities	$933	$860	$1,058	$1,101	$1,372	$1,422	$1,309	$1,222	$1,317	$1,118
Cash Dividends Declared	488	472	534	572	662	805	1,049	1,039	1,406	1,339
Purchase Price of Carrier Operating Property	2,172	2,708	3,259	3,681	2,697	2,027	4,109	4,137	4,435	3,640
Purchase Price of Other Tangible Property	40	74	50	57	68	47	55	37	65	99
Purchase Price of Long-Term Investments & Advances	206	133	319	513	818	793	1,217	1,281	433	212
Net Increase in Sinking or Other Special Funds	1,007	239	43	65	37	51	58	176	57	6
Purchase Price of Treasury Stock	4	1	1	1	2	1	0	1	0	0
Other	469	712	320	359	443	398	293	428	386	769
Total Applications of Working Capital	**$5,320**	**$5,200**	**$5,583**	**$6,350**	**$6,102**	**$5,544**	**$8,090**	**$8,320**	**$8,099**	**$7,182**
Net Increase (Decrease) in Working Capital	**$240**	**$67**	**$109**	**$372**	**$777**	**($257)**	**$182**	**$473**	**($855)**	**($229)**

SUMMARY OF NET RAILWAY OPERATING INCOME

(Millions of Dollars)

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Net Revenue from Operations	$556	$706	$1,263	$1,902	$2,312	$1,013	$2,623	$3,653	$2,361	$1,308
Less:										
Income Taxes (Current & Deferred)	236	285	424	592	982	340	851	1,185	660	163
Special Charge Adjustment[1]										659
Income from Lease of Road & Equipment	2	2	2	3	6	3	4	2	2	2
Plus:										
Rent for Leased Roads & Equipment	24	26	24	30	37	73	70	70	46	24
NET RAILWAY OPERATING INCOME	**$343**	**$446**	**$861**	**$1,339**	**$1,361**	**$742**	**$1,838**	**$2,537**	**$1,746**	**$507**

[1] Includes special charges reclassified by the ICC for NROI and Revenue Adequacy reporting.

DISTRIBUTION OF RAILWAY OPERATING EXPENSES

(Millions of Dollars)

CATEGORY	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Labor (Salaries and Wages)	$8,505	$9,138	$10,105	$10,552	$11,094	$10,417	$9,387	$9,895	$9,372	$8,675
Health & Welfare, Pensions	681	732	739	809	1,050	1,058	992	1,105	779	769
Payroll Taxes	1,399	1,458	1,634	1,630	1,889	1,953	1,795	2,054	2,122	2,183
Other Taxes	489	597	571	674	516	276	324	620	601	756
Fuel & Power	1,511	1,502	2,341	3,269	3,765	3,019	2,595	2,780	2,445	1,486
Other Materials & Supplies & Miscellaneous	4,110	4,552	5,113	5,614	5,972	5,200	3,818	4,207	4,625	5,669
Loss & Damage, Injuries & Insurance	664	763	917	968	914	855	757	843	921	1,024
Depreciation	902	985	1,035	1,155	1,219	1,244	1,833	1,897	2,192	3,032
Hire of Equip. & Joint Facility Net Rents	1,311	1,539	1,805	1,944	2,151	2,270	2,431	2,518	2,373	2,409
Provision for Deferred Taxes	176	96	214	281	937	399	895	930	365	(327)
Rent For/Income From Leased Roads & Equip.	0	20	18	23	31	70	65	68	45	21
TOTAL EXPENSES AND TAXES	**$19,748**	**$21,382**	**$24,492**	**$26,919**	**$29,538**	**$26,761**	**$24,892**	**$26,917**	**$25,840**	**$25,697**

PERCENT DISTRIBUTION

CATEGORY	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Labor (Salaries and Wages)	43.1 %	42.7 %	41.3 %	39.2 %	37.6 %	38.9 %	37.7 %	36.8 %	36.3 %	33.8 %
Health & Welfare, Pensions	3.4	3.4	3.0	3.0	3.6	4.0	4.0	4.1	3.0	3.0
Payroll Taxes	7.1	6.8	6.7	6.1	6.4	7.3	7.2	7.6	8.2	8.5
Other Taxes	2.5	2.8	2.3	2.5	1.7	1.0	1.3	2.3	2.3	2.9
Fuel & Power	7.7	7.0	9.6	12.1	12.7	11.3	10.4	10.3	9.5	5.8
Other Materials & Supplies & Miscellaneous	20.8	21.3	20.9	20.9	20.2	19.4	15.3	15.6	17.9	22.1
Loss & Damage, Injuries & Insurance	3.4	3.6	3.7	3.6	3.1	3.2	3.0	3.1	3.6	4.0
Depreciation	4.6	4.6	4.2	4.3	4.1	4.6	7.4	7.0	8.5	11.8
Hire of Equip. & Joint Facility Net Rents	6.6	7.2	7.4	7.2	7.3	8.5	9.8	9.4	9.2	9.4
Provision for Deferred Taxes	0.9	0.4	0.9	1.0	3.2	1.5	3.6	3.5	1.4	-1.3
Rent For/Income From Leased Roads & Equip.	0.0	0.1	0.1	0.1	0.1	0.3	0.3	0.3	0.2	0.1
TOTAL EXPENSES AND TAXES	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**

FINANCIAL STATISTICS

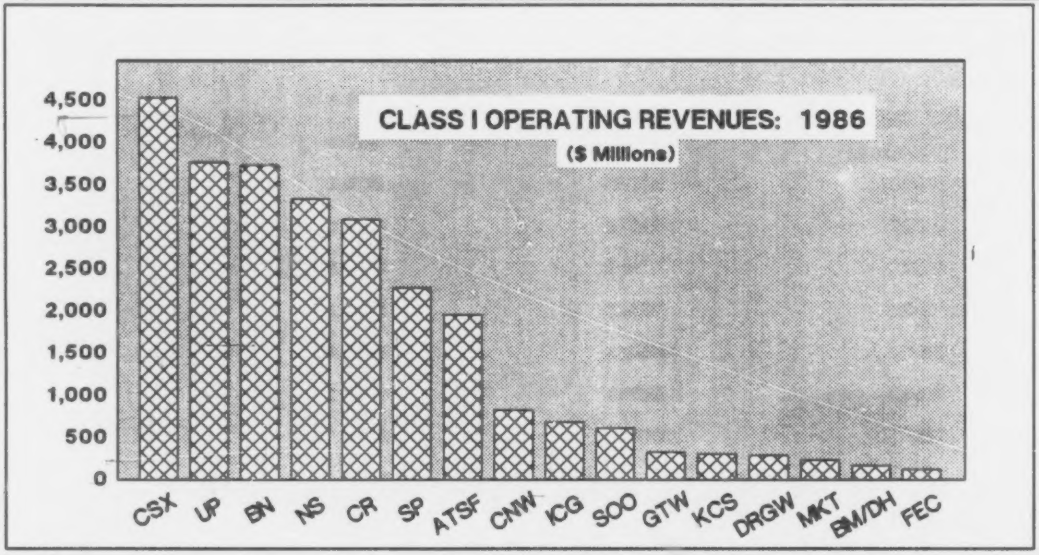
NOTES

- The 1985 and 1986 NROI figures shown on page 36 do not match those on page 50 due to the differing treatment of special charges. The figures on page 36 include special charges as reported by the railroads which were subsequently reclassified by the ICC for Revenue Adequacy proceedings. The figures on page 50 are based on those used by the ICC in the Revenue Adequacy Proceedings, and eliminate the effect of those special charges.

RANKING OF RAILROAD SYSTEMS BY OPERATING REVENUES: 1986

System/Railroad	Operating Revenues (thousands)	Percent of Total	Cumulative
1. CSX Corporation	$4,528,849	17.3 %	17.3 %
2. Union Pacific Corporation	3,766,929	14.4	31.7
3. Burlington Northern	3,732,981	14.2	45.9
4. Norfolk Southern Corporation	3,327,786	12.7	58.6
5. Conrail	3,088,125	11.8	70.4
6. Southern Pacific Corporation	2,269,646	8.7	79.1
Southern Pacific	1,909,015	7.3	
St. Louis Southwestern	360,631	1.4	
7. Atchison, Topeka & Santa Fe	1,951,654	7.4	86.5
8. Chicago & North Western	823,586	3.1	89.6
9. Illinois Central Gulf	679,488	2.6	92.2
10. Soo Line	606,276	2.3	94.5
11. Grand Trunk Western	323,030	1.2	95.7
12. Kansas City Southern	299,912	1.1	96.8
13. Denver Rio Grande Western	285,273	1.1	97.9
14. Missouri-Kansas-Texas	232,695	0.9	98.9
15. Guilford Transportation Industries	166,715	0.6	99.5
Boston & Maine	86,334	0.3	
Delaware & Hudson	80,381	0.3	
16. Florida East Coast	121,177	0.5	100.0
	$26,204,122	100.0 %	

Source: Analysis of Class I Railroads.



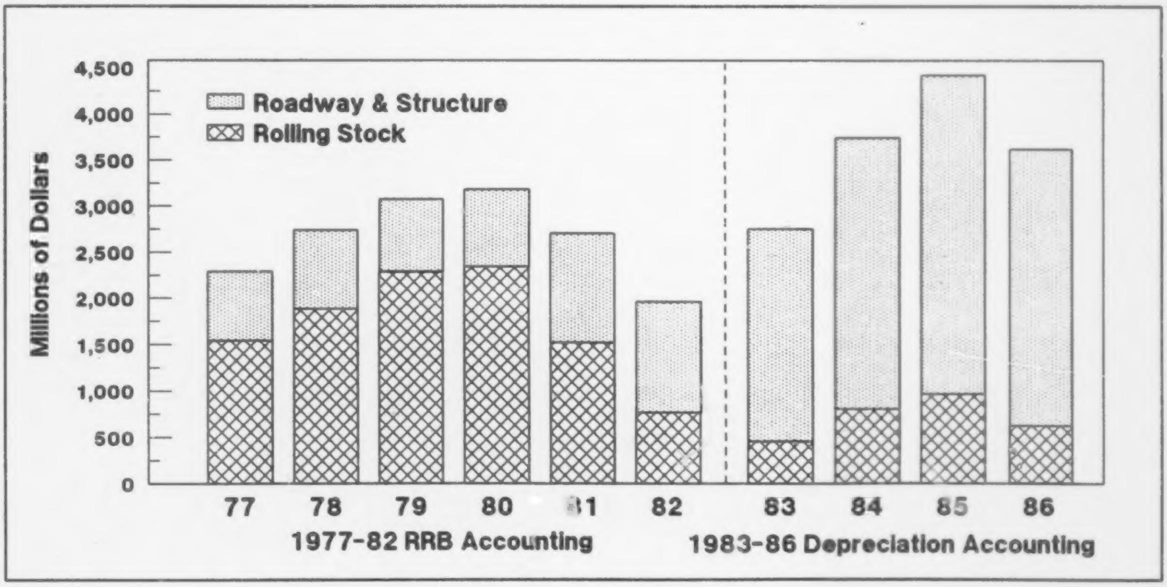
RAILROAD CAPITAL EXPENDITURES FOR ROADWAY AND EQUIPMENT

(Millions of Dollars)

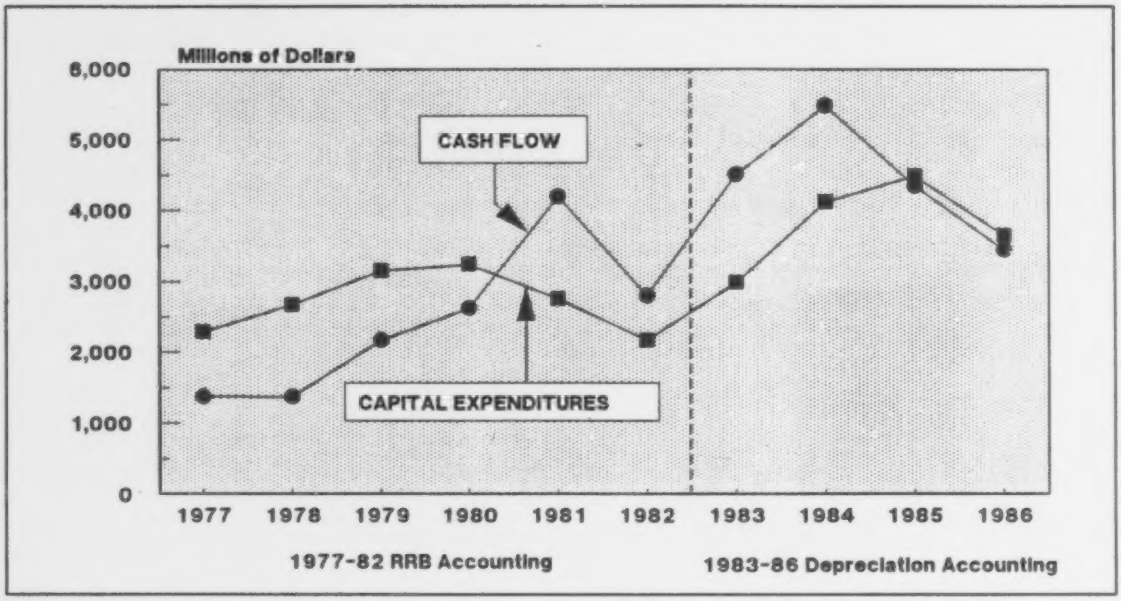
Year	Capital Expenditures	Rolling Stock	Percent of Total	Roadway & Struct.	Percent of Total
1977	$2,290	$1,540	67.2 %	$751	32.8 %
1978	2,673	1,939	72.5	733	27.4
1979	3,130	2,264	72.3	866	27.7
1980	3,234	2,280	70.5	953	29.5
1981	2,750	1,502	54.6	1,248	45.4
1982	2,166	848	39.2	1,318	60.8
1983	2,761	455	16.5	2,306	83.5
1984	3,744	806	21.5	2,938	78.5
1985	4,423	965	21.8	3,458	78.2
1986	3,601	693	19.2	2,908	80.8

Note: Rolling stock includes cars, locomotives and cabooses. Roadway includes terminals, track, bridges and structures, classification yards and port terminals. The substantial increase in capital expenditures for Roadway and Structures since 1983 is attributable in part to the change to Depreciation Accounting.

Source: Analysis of Class I Railroads.



RAILROAD CASH FLOW



(Millions of Dollars)

Year	Ordinary Income	Depreciation	Def. Taxes	Cash Flow 1/	Total Capital Expenditures	Ratio of Cash Flow To Capital Expenditures
1977	$326	$877	$176	$1,379	$2,290	.60
1978	258	985	96	1,339	2,673	.50
1979	884	1,035	214	2,133	3,130	.68
1980	1,129	1,155	281	2,565	3,238	.79
1981	2,041	1,218	937	4,197	2,751	1.53
1982	1,152	1,244	399	2,795	2,168	1.29
1983	1,778	1,833	895	4,506	2,985	1.51
1984	2,654	1,897	930	5,481	4,121	1.33
1985	1,788	2,192	365	4,345	4,485	.97
1986	747	3,032	(327)	3,452	3,645	.95

1/ Sum of Net Ordinary Income, Depreciation and Deferred Taxes.

Source: Analysis of Class I Railroads.

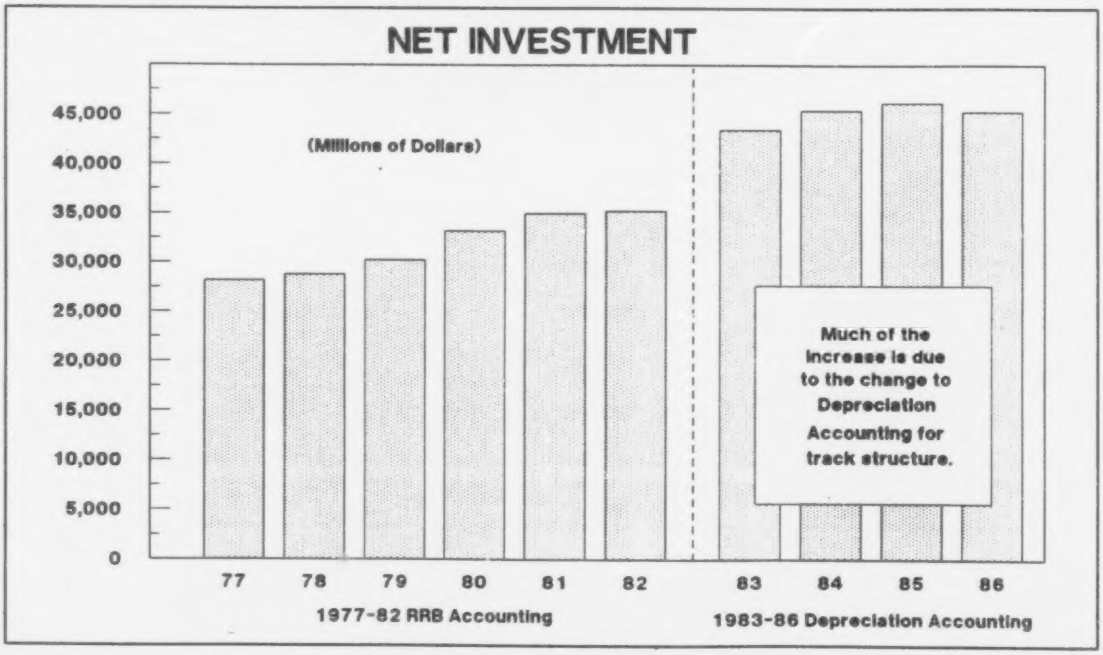
RAILROAD PROPERTY INVESTMENT

(Millions of Dollars)

At Year End	Investment Property Used in Railroad Service	Working Capital Allowed	Gross Investment	Accumulated Depreciation and Amortization	Net Investment
1977	$36,612	$1,361	$37,973	$ 9,751	$28,222
1978	37,581	1,621	39,201	10,255	28,946
1979	38,975	1,818	40,793	10,354	30,439
1980	42,107	2,159	44,266	10,847	33,419
1981	44,175	2,444	46,619	11,622	34,997
1982	45,140	2,172	47,311	12,051	35,261
1983	61,066	1,897	62,964	19,480	43,483
1984	63,306	2,228	65,534	20,098	45,435
1985	64,074	1,919	65,993	19,756	46,237
1986	64,602	1,682	66,284	20,940	45,344

Note: 1978 working capital was based on the cash and materials-supplies accounts; 1979-86 based on Schedule 250 of R-1 Annual Report.

Source: Analysis of Class I Railroads.


NET INVESTMENT

Much of the increase is due to the change to Depreciation Accounting for track structure.

RAILROAD LONG-TERM DEBT AND INTEREST CHARGES

(Millions of Dollars)

Year	Long-Term Debt Due After One Year	Interest Charges On Funded Debt	Interest Charges As A Percent of Long-Term Debt
1977	$11,202	$683	6.1 %
1978	11,500	768	6.7
1979	11,750	773	6.6
1980	12,730	940	7.4
1981	12,479	1,057	8.5
1982	11,729	1,019	8.7
1983	11,133	939	8.4
1984	10,718	916	8.5
1985	10,267	877	8.5
1986	9,838	875	8.9

Source: Analysis of Class I Railroads.

RAILROAD EQUIPMENT DEBT AND RATES OF INTEREST

(Millions of Dollars)

Year	Equipment Obligations Outstanding End of Year*	Average Interest Rates on New Equipment Obligations
1977	$5,032	7.66 %
1978	5,124	8.71
1979	5,624	9.88
1980	6,164	12.17
1981	6,204	14.65
1982	5,741	13.93
1983	5,131	11.63
1984	4,691	12.92
1985	4,353	11.12
1986	3,927	8.44

* Excludes Equipment Obligations due within one year.

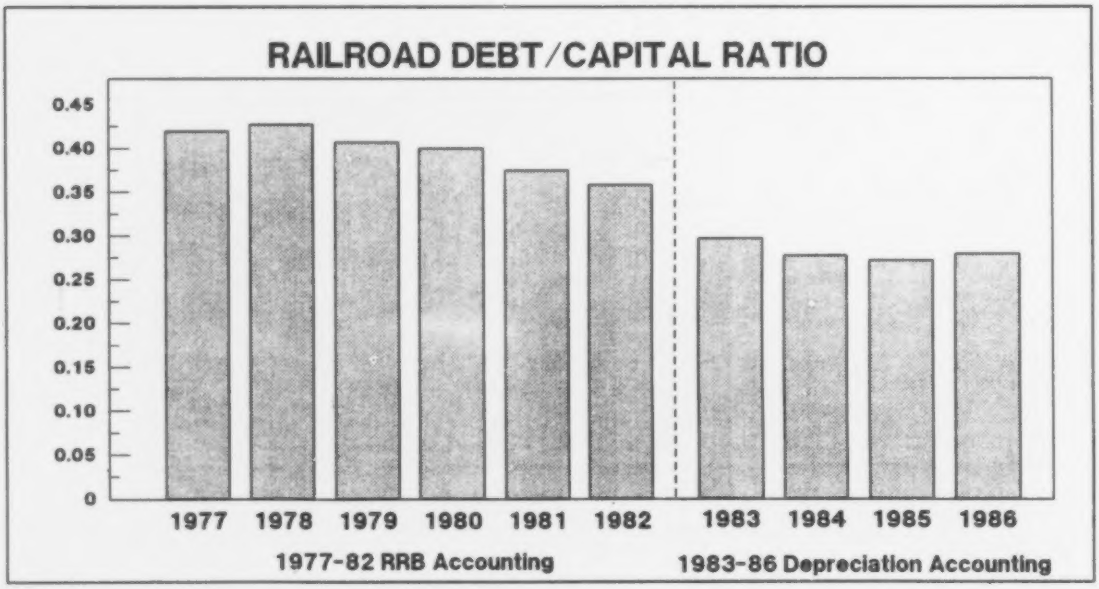
Source: Salomon Brothers Inc., "Analytical Record of Yields and Yield Spreads."

RAILROAD DEBT / CAPITAL RATIO

(Millions of Dollars)

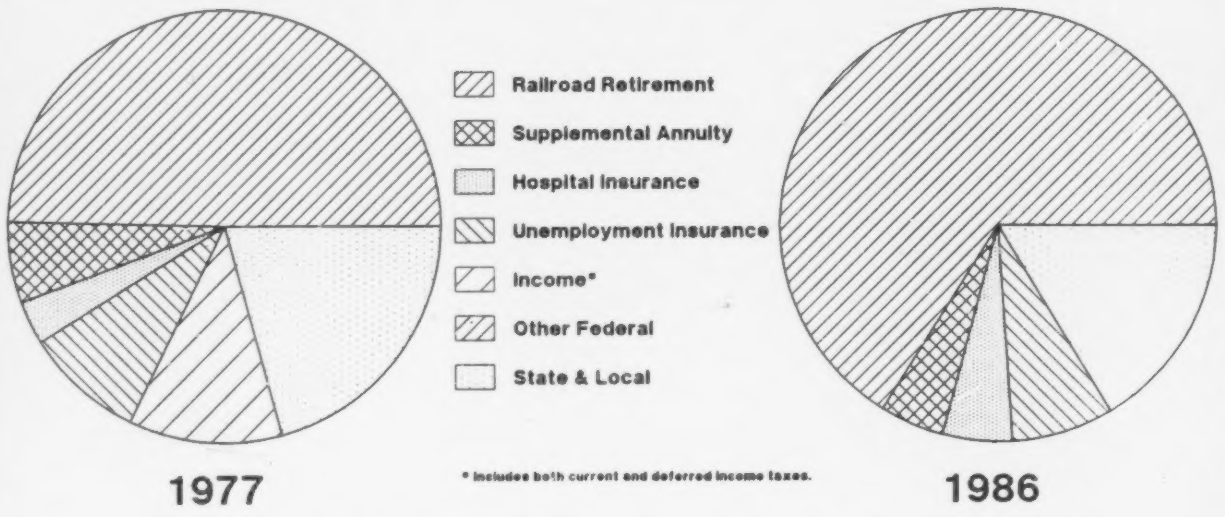
Dec. 31	Long-Term Debt	Total Capital	Debt/ Capital Ratio
1977	$11,202	$26,935	.416
1978	11,500	27,235	.422
1979	11,750	29,103	.404
1980	12,730	32,130	.396
1981	12,479	33,732	.370
1982	11,729	33,078	.355
1983	11,132	37,594	.296
1984	10,719	38,705	.277
1985	10,267	37,873	.271
1986	9,838	35,280	.279

Source: Analysis of Class I Railroads.



RAILROAD TAXES

COMPOSITION OF RAILROAD TAXES
1977 VERSUS 1986



* Includes both current and deferred income taxes.

(Thousands of Dollars)

	Payroll Taxes				Federal Taxes				
Year	Railroad Retirement	Supplemental Annuity	Hospital Insurance	Unemployment Insurance	Income	Deferred Taxes	Other	State Local & Foreign Taxes	Total
1977	$1,023,355	$124,630	$67,460	$183,639	$60,161	$175,814	$223	$428,290	$2,063,572
1978	1,089,064	116,980	81,170	170,485	153,884	95,562	1,210	441,826	2,150,181
1979	1,253,792	124,755	98,219	157,024	152,586	213,837	679	417,522	2,418,414
1980	1,298,236	113,093	101,564	116,886	249,764	281,465	1,223	423,111	2,585,342
1981	1,471,158	126,066	124,444	167,124	56,476	936,578	2,323	456,990	3,341,159
1982	1,549,642	128,852	128,054	146,150	(49,567)	399,188	1,394	324,406	2,628,119
1983	1,425,078	123,098	122,945	123,457	(51,832)	894,813	909	375,113	3,013,581
1984	1,600,941	136,595	132,076	184,528	172,874	930,284	290	419,446	3,577,034
1985	1,687,468	123,594	134,510	176,286	178,552	365,060	76	422,102	3,087,648
1986	1,725,471	124,274	135,846	197,017	327,024	(326,542)	753	428,380	2,612,223

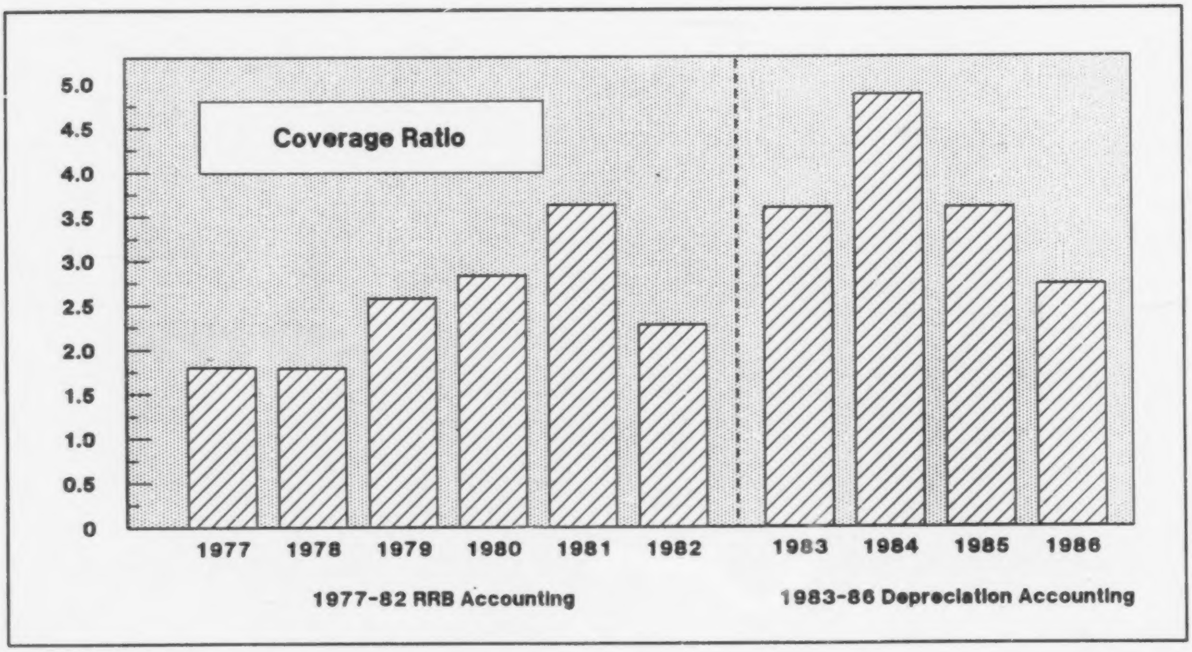
Source: Analysis of Class I Railroads.

RAILROAD COVERAGE RATIO

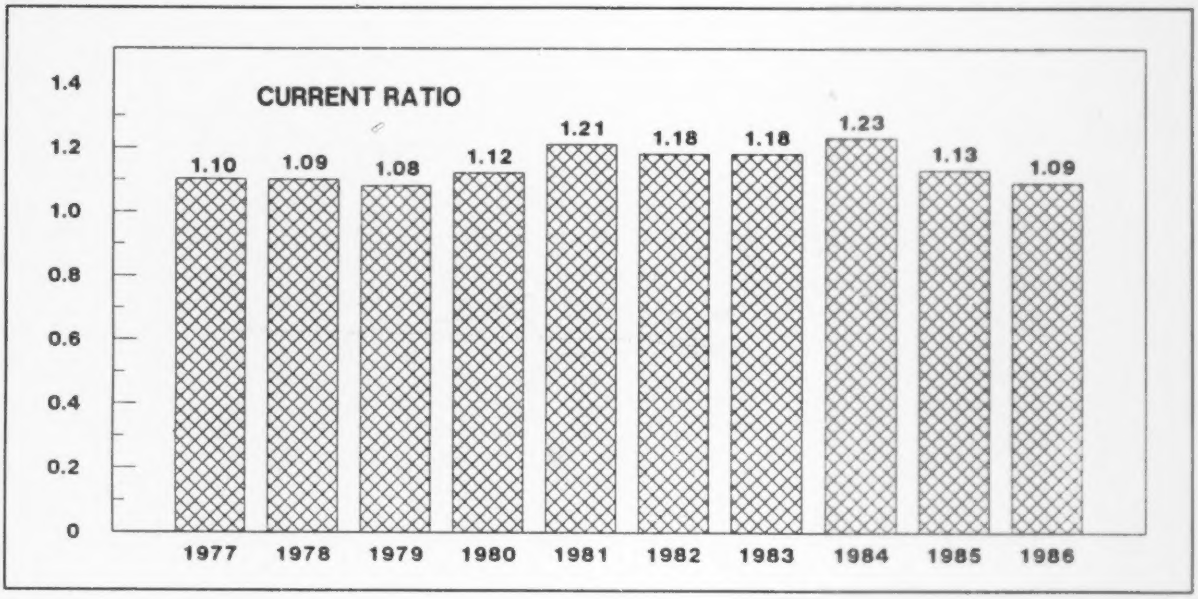
(Millions of Dollars)

Year	Income Available For Fixed Charges Before Federal Income Taxes	Fixed and Contingent Interest Charges	Coverage Ratio Before Federal Income Taxes (times)
1977	$1,265	$701	1.80
1978	1,405	808	1.74
1979	2,183	867	2.52
1980	2,897	1,041	2.78
1981	4,147	1,141	3.63
1982	2,465	1,086	2.27
1983	3,608	1,005	3.59
1984	4,893	1,007	4.86
1985	3,393	945	3.59
1986	2,480	913	2.72

Source: Analysis of Class I Railroads.



RAILROAD WORKING CAPITAL AND CURRENT RATIO



(Millions of Dollars)

Year	Current Assets	Current Liabilities	Net Working Capital	Current Ratio
1977	$5,989	$5,421	$568	1.10
1978	6,816	6,255	561	1.09
1979	7,781	7,214	567	1.08
1980	8,678	7,756	921	1.12
1981	9,665	7,973	1,692	1.21
1982	8,813	7,442	1,372	1.18
1983	8,804	7,479	1,325	1.18
1984	9,821	7,977	1,844	1.23
1985	9,350	8,267	1,084	1.13
1986	9,132	8,390	743	1.09

Source: Analysis of Class I Railroads.

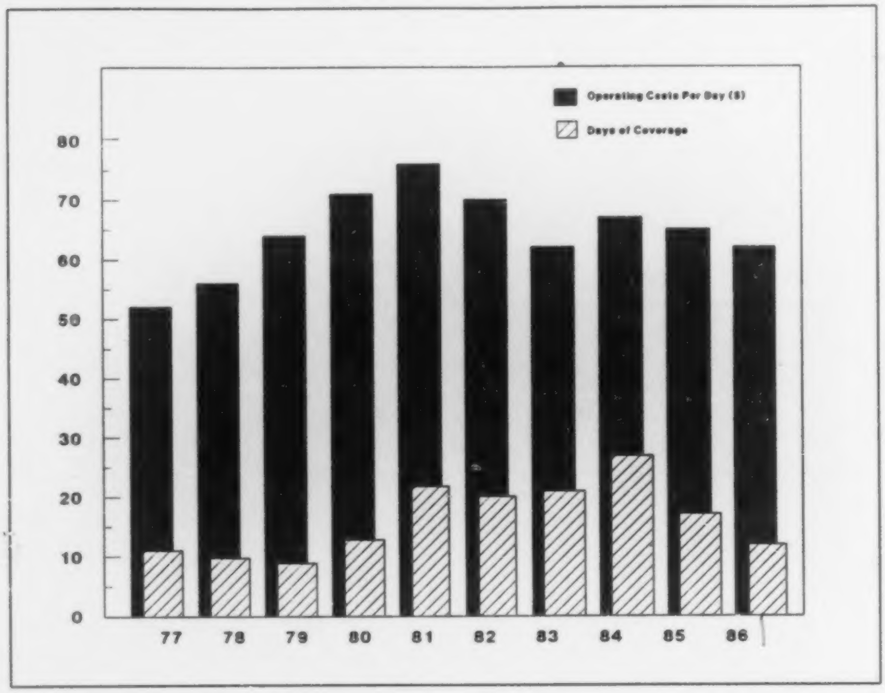
COVERAGE OF RAILROAD DAILY OPERATING COSTS

(Millions of Dollars)

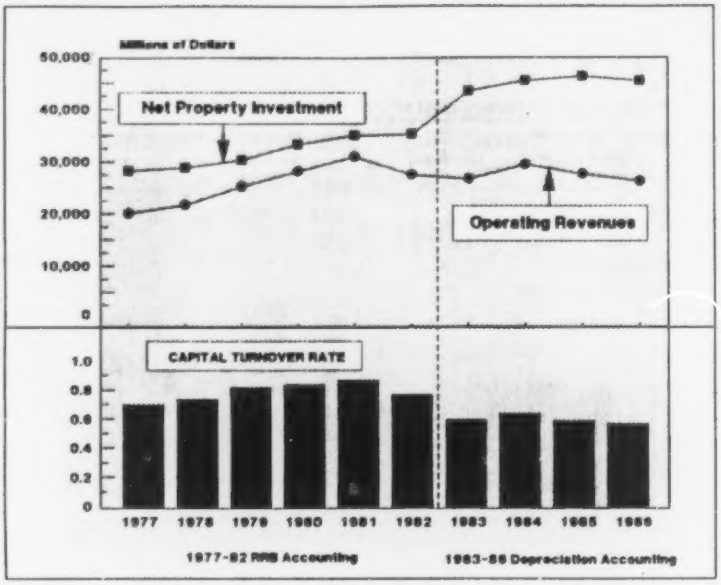
Year	Net Working Capital	Operating Costs Per Day	Days of Coverage
1977	$568	$52	11
1978	561	56	10
1979	567	64	9
1980	921	71	13
1981	1,692	76	22
1982	1,372	70	20
1983	1,325	62	21
1984	1,844	67	27
1985	1,084	65	17
1986	743	62	12

Note: Operating costs include operating expenses (less depreciation and retirement charges), current taxes and rents.

Source: Analysis of Class I Railroads.



RAILROAD INVESTMENT TURNOVER



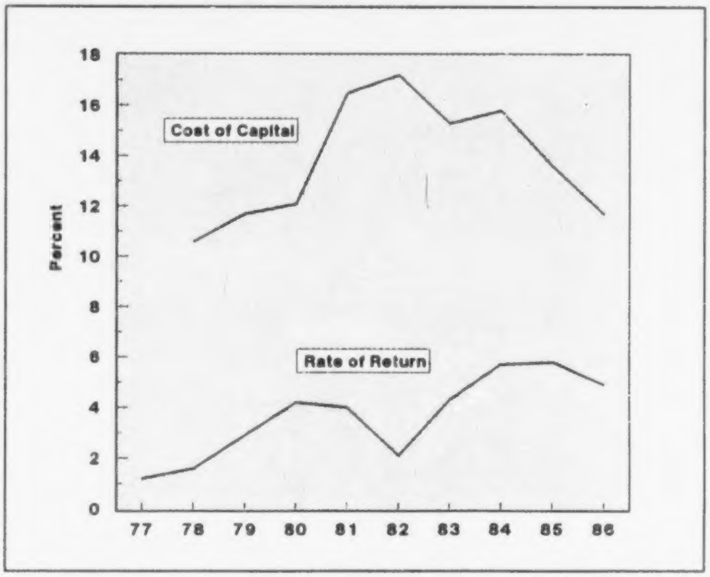
(Millions of Dollars)

Year	Operating Revenues	Net Property Investment	Capital Turnover Rate
1977	$20,090	$28,222	.71
1978	21,828	28,946	.75
1979	25,352	30,439	.83
1980	28,258	33,419	.85
1981	30,899	34,997	.88
1982	27,504	35,261	.78
1983	26,729	43,483	.61
1984	29,453	45,435	.65
1985	27,586	46,237	.60
1986	26,204	45,344	.58

Note: The increase in net property investment in 1983 is attributable in large part to the change to Depreciation Accounting for track structures. Net property investment includes an allowance for working capital.

Source: Analysis of Class I Railroads.

RAILROAD RETURN ON NET INVESTMENT AND COST OF CAPITAL



(Millions of Dollars)

Year	Net Railway Operating Income	Average Net Investment	Rate of Return on Net Investment	ICC Cost of Capital
1977	$343	$27,641	1.2 %	NA
1978	446	28,199	1.6	10.6 %
1979	861	29,344	2.9	11.7
1980	1,339	31,694	4.2	12.1
1981	1,361	34,201	4.0	16.5
1982	742	35,129	2.1	17.7
1983	1,838	42,851	4.3	15.3
1984	2,537	44,459	5.7	15.8
1985	2,191	37,714	5.8	13.6
1986	1,843	37,366	4.9	11.7

NA - not available.

Notes: Data for 1977-1982 are calculated on the basis of Retirement, Replacement, Betterment accounting system; 1983-1986 are on a Depreciation Accounting basis. NROI and rate of return for 1985 and 1986 are based on the ICC's decisions in Revenue Adequacy proceedings. The net railway operating income (NROI) and investment base figures for 1985 and 1986 have been adjusted to eliminate the effect of special charges on NROI and reductions of the investment base for accumulated deferral tax liabilities. Predecessor values were used where appropriate.

Source: Analysis of Class I Railroads and ICC Decisions.

RAILROAD REVENUE MARGIN

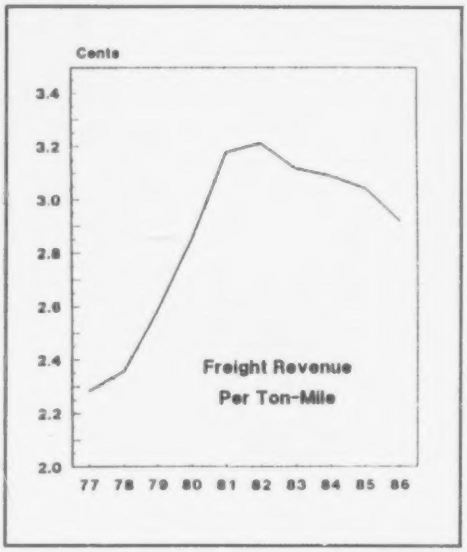
Year	Freight Revenue per Ton-Mile (cents)	Freight Operating Expenses per Ton-Mile (cents)	Freight Revenue Margin per Ton-Mile (cents)
1977	2.286	2.270	.016
1978	2.371	2.371	.000
1979	2.605	2.565	.040
1980	2.867	2.756	.111
1981	3.178	3.019	.159
1982	3.212	3.179	.033
1983	3.119	2.889	.230
1984	3.090	2.781	.309
1985	3.043	2.857	.186
1986	2.921	2.850	.071

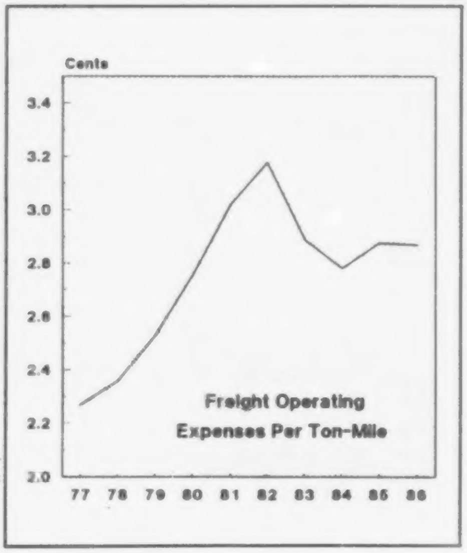
Note: Operating expenses prior to 1983 are not comparable to 1983 - 1986 because of the change in accounting for track structure expenditures from Retirement, Replacement, Betterment system to Depreciation system.

Expense figures for 1985 and 1986 alone include the effects of special charges. Below is a restatement of the 1985 and 1986 figures excluding special charges:

	Freight Operating Expenses per Ton-Mile (cents)	Freight Revenue Margin per Ton-Mile (cents)
1985	2.768	.275
1986	2.645	.276

Source: Analysis of Class I Railroads.





RAILROAD SHAREHOLDERS' EQUITY

(Millions of Dollars)

Year	Total	Capital Stock	Additional Paid In Capital	Retained Earnings
1977	$15,733	$4,413	$3,061	$8,380
1978	15,735	4,122	4,159	7,569
1979	17,353	4,225	5,290	7,952
1980	19,400	4,478	6,806	8,199
1981	21,253	4,569	7,092	9,645
1982	21,349	4,558	7,301	9,504
1983	26,461	4,322	6,487	15,666
1984	27,986	4,176	6,503	17,318
1985	27,605	3,874	6,496	17,244
1986	25,442	3,489	6,259	15,699

Notes: The majority of the increase in retained earnings in 1983 was attributable to the change to depreciation accounting for track structure. The total column has been reduced for Treasury Stock.

Source: Analysis of Class I Railroads.

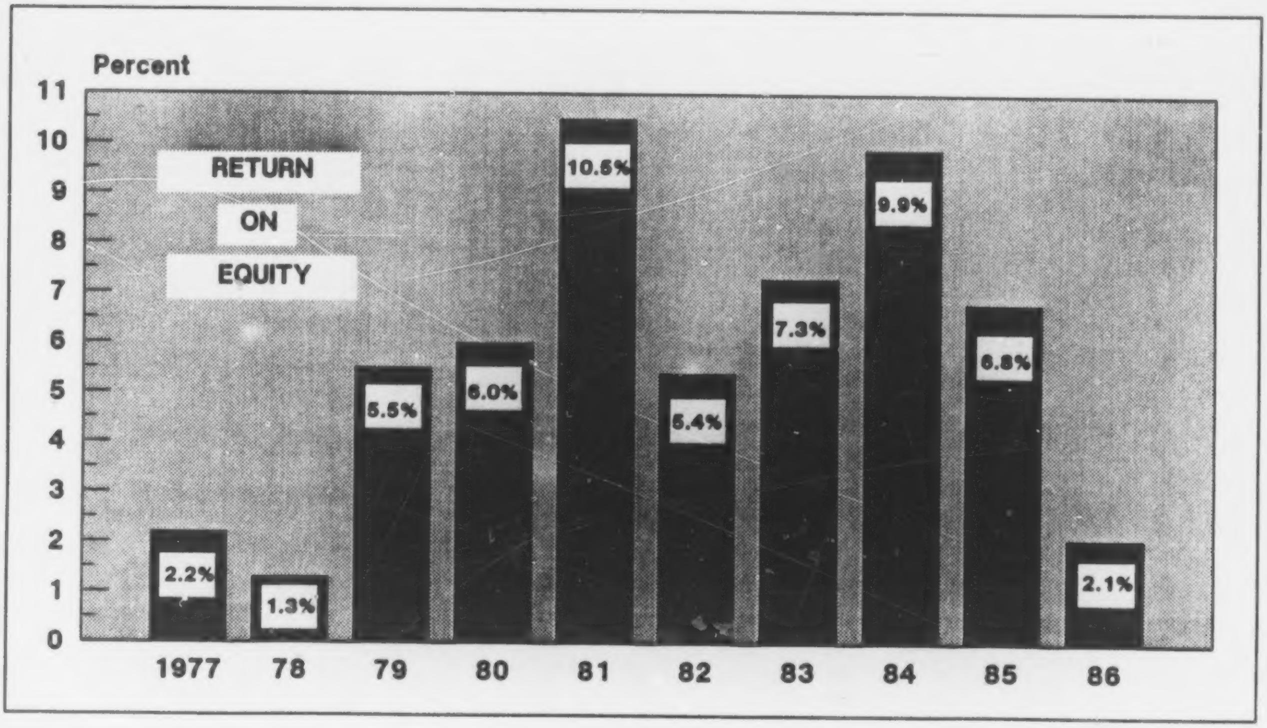
RAILROAD DIVIDEND APPROPRIATIONS

(Thousands of Dollars)

	Dividends (Cash and Non-Cash)		
Year	Common Stock	Preferred Stock	Total
1977	$478,697	$18,511	$497,208
1978	480,307	22,435	502,742
1979	509,229	28,406	537,635
1980	469,918	35,964	505,882
1981	627,800	34,640	662,440
1982	1,008,899	29,515	1,038,414
1983	1,059,942	24,566	1,084,508
1984	1,041,182	24,483	1,065,665
1985	1,421,996	21,642	1,443,638
1986	1,363,782	12,154	1,375,936

Source: Analysis of Class I Railroads.

RAILROAD RETURN ON SHAREHOLDERS' EQUITY



(Millions of Dollars)

Year	Net Income	Average Shareholders' Equity	Return on Equity
1977	$339	$15,478	2.2 %
1978	202	15,296	1.3
1979	913	16,719	5.5
1980	1,129	18,777	6.0
1981	2,141	20,320	10.5
1982	1,152	21,200	5.4
1983	1,797	24,775	7.3
1984	2,701	27,172	9.9
1985	1,882	27,528	6.8
1986	544	25,969	2.1

Note: Net income has not been adjusted to exclude special charges.

Source: Analysis of Class I Railroads.

RAILROAD STOCK MARKET PERFORMANCE

		1982	1983	1984	1985	1986
Burlington Northern Incorporated (NYSE-BNI)	Avg. Dividend Yield	3.2 %	2.6 %	2.5 %	2.4 %	2.4 %
	Earnings/Share ($)	$5.19	$5.40	$7.15	$7.19	($12.07) 2/
	Avg. P/E Ratio	10.4	7.9	6.2	7.4	18.8
CSX Corporation (NYSE-CSX)	Avg. Dividend Yield	6.1 %	4.4 %	4.6 %	4.3 %	3.7 %
	Earnings/Share ($)	$3.28	$1.99	$2.80	($.78) 1/	$2.73
	Avg. P/E Ratio	8.6	10.8	7.2	8.9	11.5
Chicago & Northwestern Transportation Co. (NYSE-CNW)	Avg. Dividend Yield	--	--	--	--	--
	Earnings/Share ($)	($1.06)	$2.28	$1.29	($1.70) 1/	$2.31
	Avg. P/E Ratio	--	16.9	22.3	--	10.2
Florida East Coast Industries (NYSE-FLA)	Avg. Dividend Yield	.6 %	.7 %	.6 %	.5 %	.5 %
	Earnings/Share ($)	$1.59	$4.70	$3.13	$3.18	$3.30
	Avg. P/E Ratio	12.7	6.6	10.6	12.7	13.2
IC Industries Incorporated (NYSE-ICX)	Avg. Dividend Yield	7.4 %	5.5 %	5.3 %	4.2 %	3.4 %
	Earnings/Share ($)	$.78	$1.14	$1.36	$1.46	($.51) 1/
	Avg. P/E Ratio	8.7	11.6	7.6	11.7	13.8
Kansas City Southern Industry Inc. (NYSE-KSU)	Avg. Dividend Yield	2.6 %	1.5 %	2.1 %	2.0 %	2.0 %
	Earnings/Share ($)	$3.99	$4.11	$4.82	$4.92	($4.33)
	Avg. P/E Ratio	10.1	14.4	10.9	13.6	30.6
Norfolk Southern Corporation (NYSE-NSC)	Avg. Dividend Yield	5.4 %	4.7 %	5.7 %	5.0 %	4.0 %
	Earnings/Share ($)	$2.46	$1.89	$2.55	$2.65	$2.74
	Avg. P/E Ratio	7.6	10.5	7.3	8.6	11.1
Santa Fe Southern Pacific Corporation (NYSE-SFX)	Avg. Dividend Yield	5.6 %	3.6 %	4.2 %	3.3 %	3.0 %
	Earnings/Share ($)	$1.56	$1.68	$2.54	$2.62	($1.63) 1/
	Avg. P/E Ratio	8.6	13.1	9.1	11.5	24.2
Soo Line Railroad Company (NYSE-SOO)	Avg. Dividend Yield	9.1 %	5.9 %	4.6 %	4.4 %	1.1 %
	Earnings/Share ($)	$2.14	$1.80	$2.37	($1.14)	($4.56) 1/
	Avg. P/E Ratio	13.1	16.9	10.9	--	--
Union Pacific Corporation (NYSE-UNP)	Avg. Dividend Yield	4.6 %	3.4 %	4.2 %	3.7 %	3.3 %
	Earnings/Share ($)	$3.44	$2.40	$4.01	$4.18	($4.56) 1/
	Avg. P/E Ratio	13.4	14.9	10.6	11.6	13.3

Note Earnings/Share adjusted to reflect change to ratable depreciation accounting.

1/ Reflects one time special charges for asset writedowns and employee buyouts.
2/ Reflects one time special charges and cumulative change in Accounting Principles.

Sources: Avg. Dividend Yield and Avg. P/E Ratio -- Value Line; Earnings/Share -- Shareholder's Reports.

RAILROAD BOND RATINGS

Class I Railroads	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
ATSF	AA	AA	AA	AA	AA	AA	AA	AA	AA	AA
B & O	BB	BB	BBB	BBB	BBB	BBB	A+	A+	A+	A+
B & M	D 1/	D	D	D	D	D	D	NR	NR	NR
BN	A	A	A	A	A	A	A	AA	AA	AA
C & O	A	A	A	A	A	A	A+	A+	A+	AA
CNW	B	B	B	B	B	B	B	BB	BB	BB
DRGW	BBB	BBB	BBB	BBB	BBB	BBB	NR	NR	BBB+	NR
FEC	BB	BB	BB	BB	BB	BB	A	A	A	A
ICG	BBB	BBB	BBB	BB	BB	BB	BB	BB	BB	BB
KCS	A	A	A	A	A	A	A	NR	A+	A
MKT	B	B	B	B	B	B	B	B	B	B
MP	BBB	A-	A-	A-	A-	A-	AA	AA	AA	AA
N & W	AA	AA	AA	AA	AA	AA	AA	AA	AA	AA
SSW	AA	AA	AA	AA	AA	AA	AA	AA	AA	AA
SBD	A	A	A	A	A	A	A	A+	A+	A+
SOO 2/	BBB	BBB	BBB	A	AA	AA	AA	BBB+	BBB+	BBB
SP	A	A	A	A	A	BBB	BBB	BBB	BBB	BBB
SOU	A+	A+	A+	AA	AA	AA	AA	AA	AA	AA
UP	AA	AA	AA	AA	AA	AA	AA	AA	AA	AA
WP	BB	BB	BB	BB	BB	BB	AA	AA	AA	AA

1/ Consolidation of bankrupt issues into one category.
2/ Wisconsin Central first mortgage.

NR = No rating.

Source: Standard and Poor's Bond Guide.

TRAFFIC, OPERATING AND EMPLOYMENT STATISTICS

NOTES

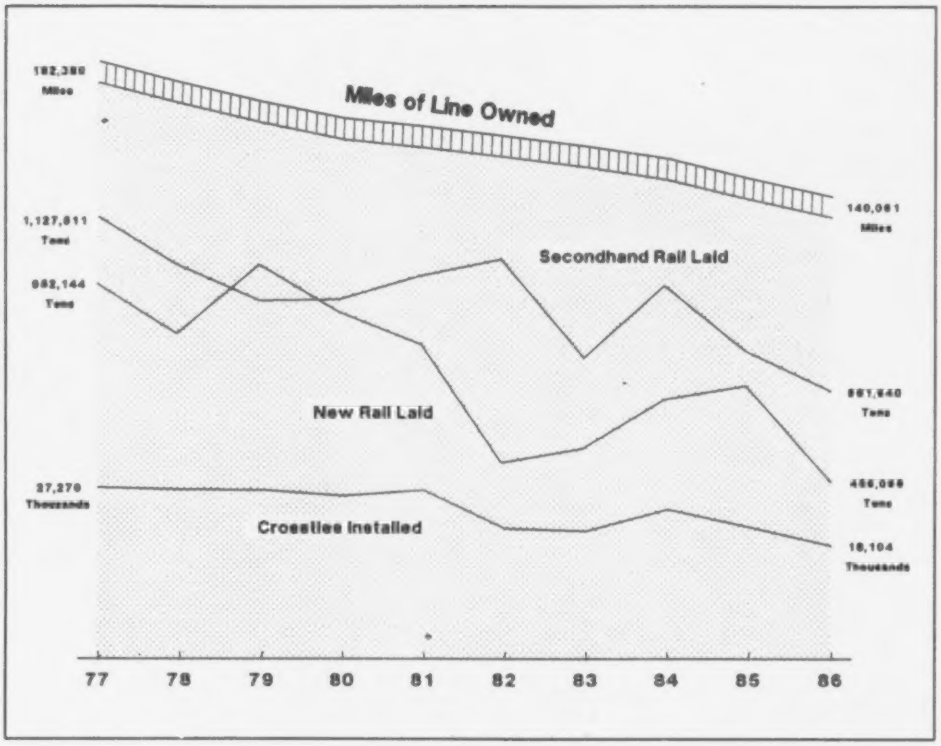
- The employee count in this chapter (average annual data) does not match the Class I employee count shown on page seven because that count reflects the period of time comparable to the non-Class I data. Neither the miles owned, nor miles operated in this chapter matches the miles shown on page seven for the same reasons noted above.

- Labor as a percent of total operating expenses, as shown on page 83 differs from that shown on page 36 because the operating expenses total on page 36 includes income taxes, while that used on page 83 does not.

RAILROAD MILEAGE OWNED & RAIL AND CROSSTIES INSTALLED

Year	Miles of Line Owned	Tons of Rail Laid		Crossties Installed (thousands)
		New	Secondhand	
1977	182,380	952,144	1,127,511	27,270
1978	175,912	838,001	985,713	27,219
1979	169,927	1,064,829	915,215	26,667
1980	164,822	881,783	919,662	25,984
1981	162,160	800,340	972,199	26,529
1982	159,123	502,718	1,018,212	20,726
1983	155,879	538,597	778,240	20,086
1984	151,998	659,285	900,000	23,581
1985	145,764	699,774	781,304	20,736
1986	140,061	456,066	681,640	18,104

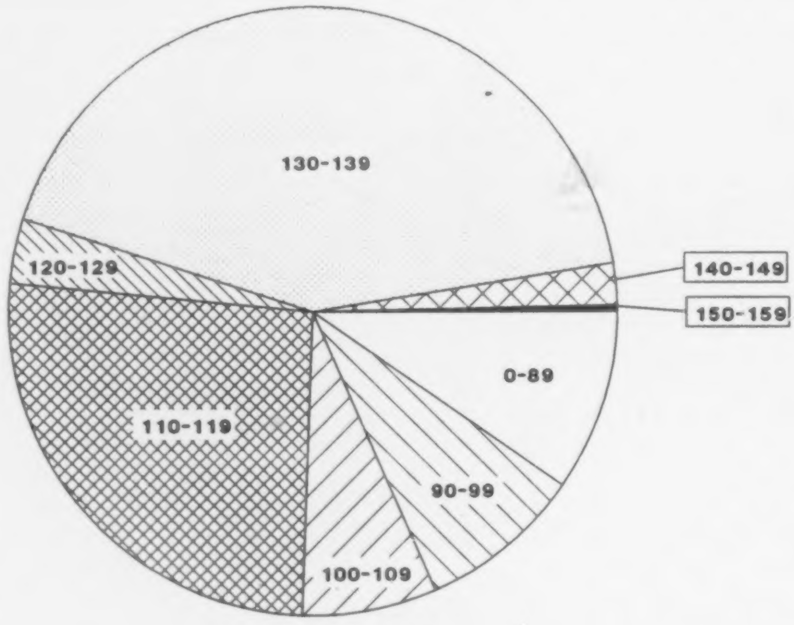
Sources: R-1 Annual Reports to the ICC, Schedules 700, 721, 722, 724 and Special Schedule 515.



WEIGHT OF RAIL: 1986

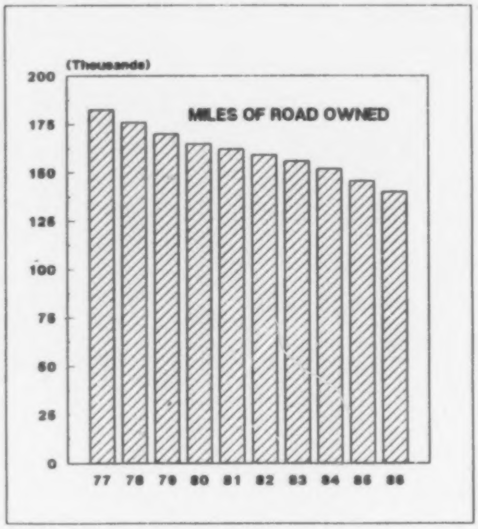
Pounds per Yard	Miles	Percent of Total Miles	Cumulative Percent
150-159	585	.37 %	.37 %
140-149	3,523	2.21	2.58
130-139	67,570	42.44	45.03
120-129	5,482	3.44	48.47
110-119	41,271	25.92	74.39
100-109	11,396	7.16	81.55
90-99	13,895	8.73	90.28
0-89	15,473	9.72	100.00
TOTAL	159,195	100.00 %	

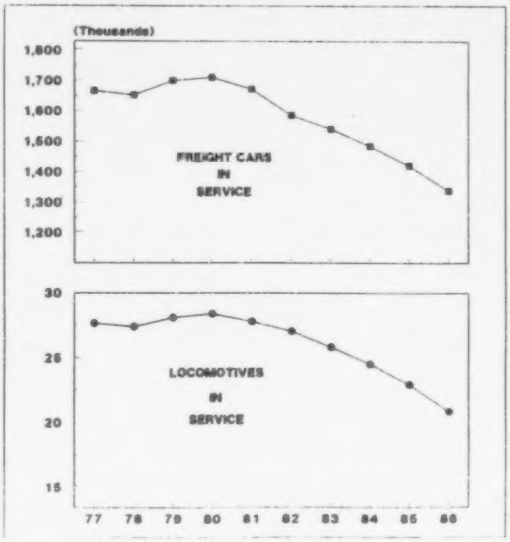
Source: R-1 Annual Reports to the ICC, Schedule 725.



Percent of Total Miles

MILES OF RAILROAD LINE AND EQUIPMENT OWNED





Year	Miles of Railroad Line Owned	Number of Locomotives in Service	Number of Freight Cars in Service
1977	182,380	27,667	1,666,533
1978	175,912	27,400	1,652,774
1979	169,927	28,097	1,699,392
1980	164,822	28,396	1,710,827
1981	162,160	27,808	1,672,465
1982	159,123	27,073	1,587,536
1983	155,879	25,838	1,542,278
1984	151,998	24,506	1,486,282
1985	145,764	22,932	1,421,686
1986	140,061	21,161	1,339,453

Notes: Number of locomotives includes units owned by AMTRAK for all years and by Auto-Train for 1977.

Number of freight cars includes equipment owned by all railroads and by car companies and shippers.

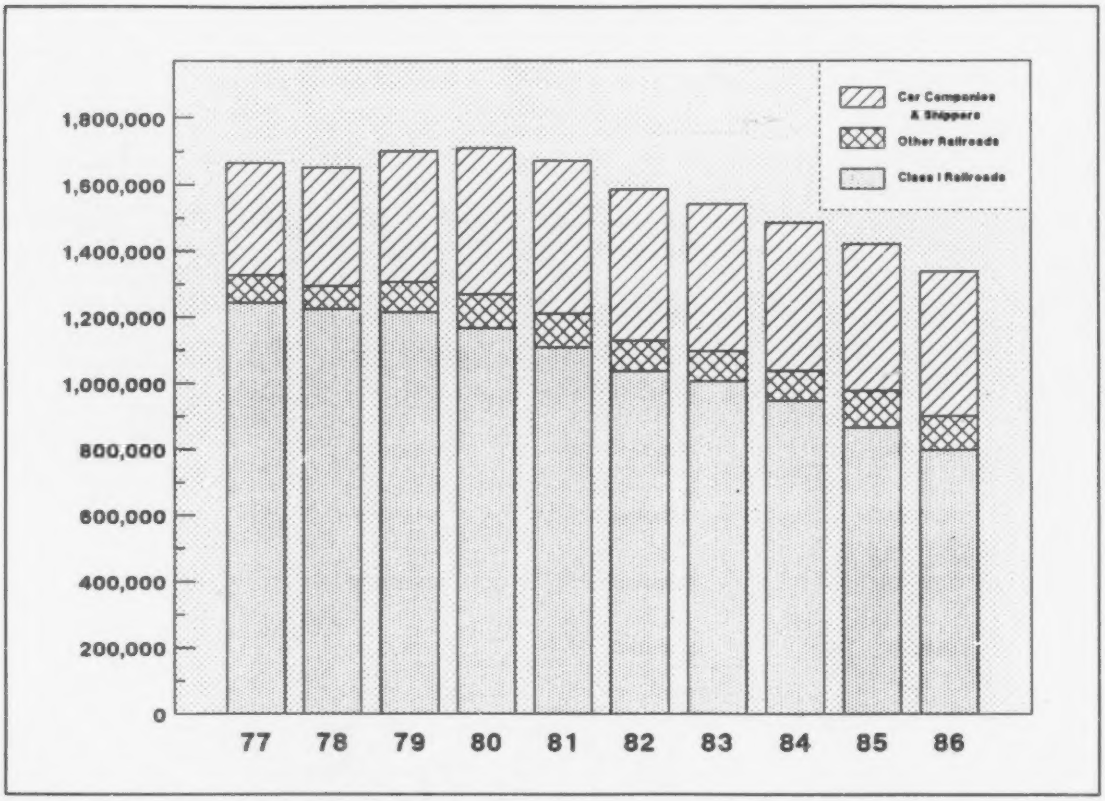
Sources: Miles of Line Owned - R-1 Annual Reports; Number of Locomotives in Service - AAR Transportation Division CS56A; Number of Freight Cars in Service - AAR Transportation Division Equipment Data.

THE FREIGHT CAR FLEET

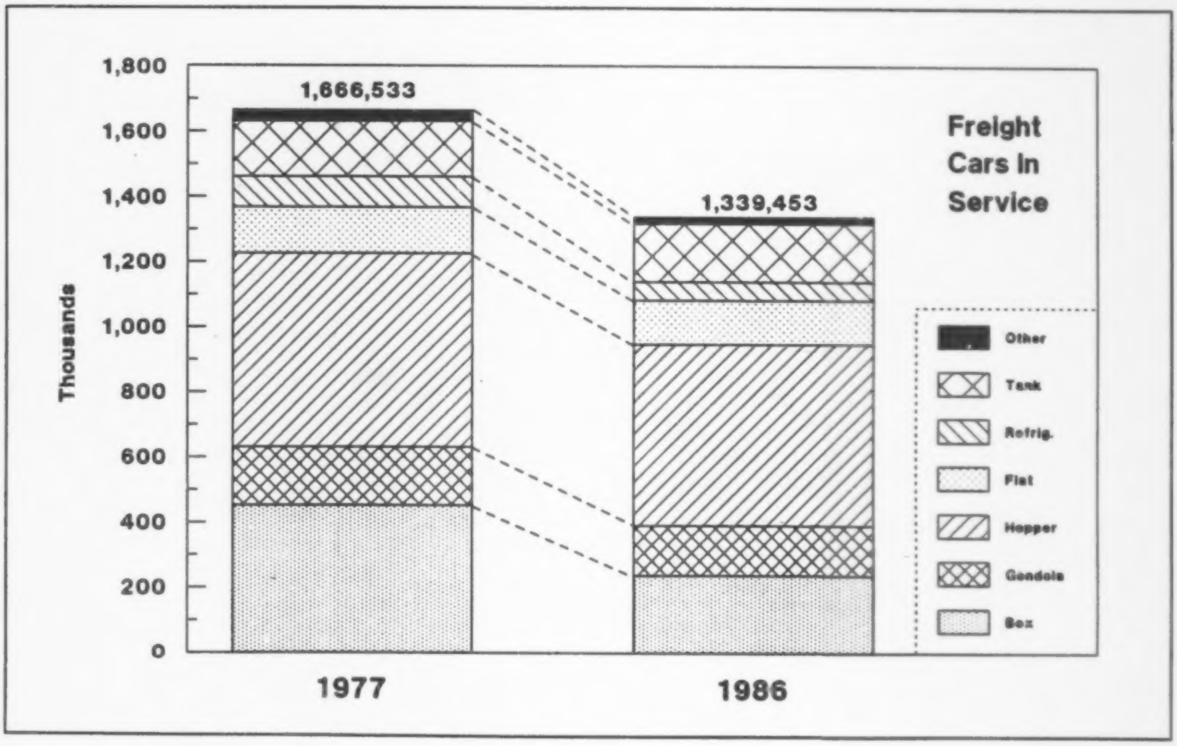
Freight Cars in Service

Year	Total	Class I Railroads	Other Railroads	Car Companies and Shippers
1977	1,666,533	1,266,788	60,905	338,840
1978	1,652,774	1,225,374	70,007	357,393
1979	1,699,372	1,217,079	91,427	390,816
1980	1,710,827	1,168,114	102,161	440,552
1981	1,672,465	1,111,115	101,091	460,259
1982	1,587,536	1,039,016	91,452	457,068
1983	1,542,278	1,007,165	91,395	443,718
1984	1,486,282	948,171	91,009	447,102
1985	1,421,686	867,070	111,086	443,530
1986	1,339,453	798,631	103,504	437,318

Source: Equipment Data, AAR Transportation Division.



FREIGHT CARS IN SERVICE BY CAR TYPE



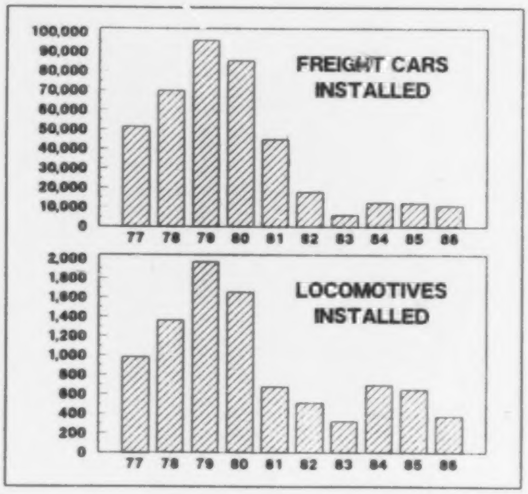
Revenue Freight Cars in Service -- All Railroads and Private Lines

Dec. 31	Plain Box	Equipped Box	Gondola	Hopper	Covered Hopper	Flat	Refrig.	Tank	Other
1977	280,367	170,412	179,475	359,168	235,829	142,811	93,823	169,745	34,903
1978	262,986	172,685	175,777	354,086	246,087	146,402	87,601	174,170	32,980
1979	273,014	179,217	178,979	356,504	268,919	151,377	81,266	178,069	31,977
1980	251,420	179,944	184,875	347,867	299,986	152,661	79,370	183,989	30,715
1981	222,647	172,428	183,962	339,435	311,378	148,724	73,452	190,662	30,047
1982	190,619	162,349	176,931	325,642	306,222	144,508	68,043	185,838	27,384
1983	178,465	157,291	171,554	315,805	303,172	142,291	63,705	183,730	26,265
1984	160,148	148,104	163,663	303,339	302,522	142,046	58,619	182,661	25,180
1985	141,050	136,405	160,958	285,517	299,172	138,839	55,083	181,194	23,468
1986	125,962	111,006	151,859	267,153	291,489	135,653	56,756	177,923	21,652

Source: AAR Transportation Division.

LOCOMOTIVES AND FREIGHT CARS INSTALLED

Year	Locomotives Installed	Freight Cars Installed
1977	992	51,639
1978	1,378	69,124
1979	1,978	95,650
1980	1,666	85,465
1981	686	44,825
1982	501	17,236
1983	343	5,772
1984	680	12,396
1985	669	12,080
1986	408	11,508



Notes: Freight car installations include additions by railroads, car companies and shippers.

Sources: Locomotives installed - Analysis of Class I Railroads; Freight Cars Installed - Equipment Data, AAR Transportation Division and American Railway Car Institute.

ONE DAY CAPACITY OF THE FREIGHT CAR FLEET

Year	No. of Freight Cars (millions)	Average Capacity Per Car (tons)	Total Capacity (million tons)
1977	1.67	75.5	126
1978	1.65	77.8	127
1979	1.70	77.7	132
1980	1.71	79.4	135
1981	1.67	80.6	135
1982	1.59	81.6	130
1983	1.54	82.4	127
1984	1.49	83.4	124
1985	1.42	84.3	120
1986	1.34	85.8	113

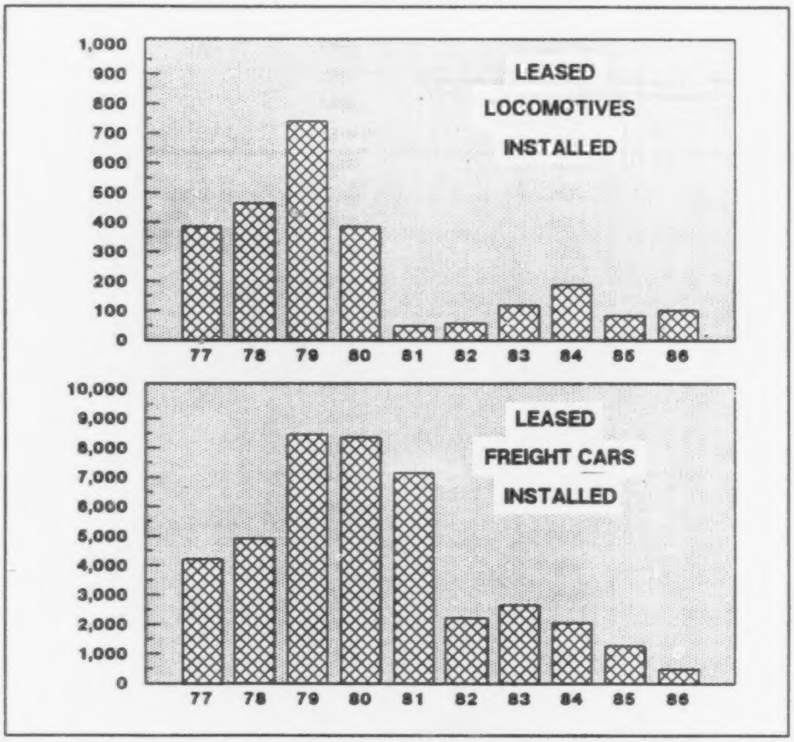
Source: AAR Transportation Division.

INSTALLATION OF LEASED LOCOMOTIVES AND FREIGHT CARS

Number Installed

Year	Locomotives	Freight Cars
1977	392	4,210
1978	466	4,920
1979	733	8,479
1980	389	8,336
1981	58	7,198
1982	67	2,289
1983	125	2,649
1984	190	2,050
1985	92	1,329
1986	107	557

Source: R-1 Annual Reports to the ICC, Schedule 710.



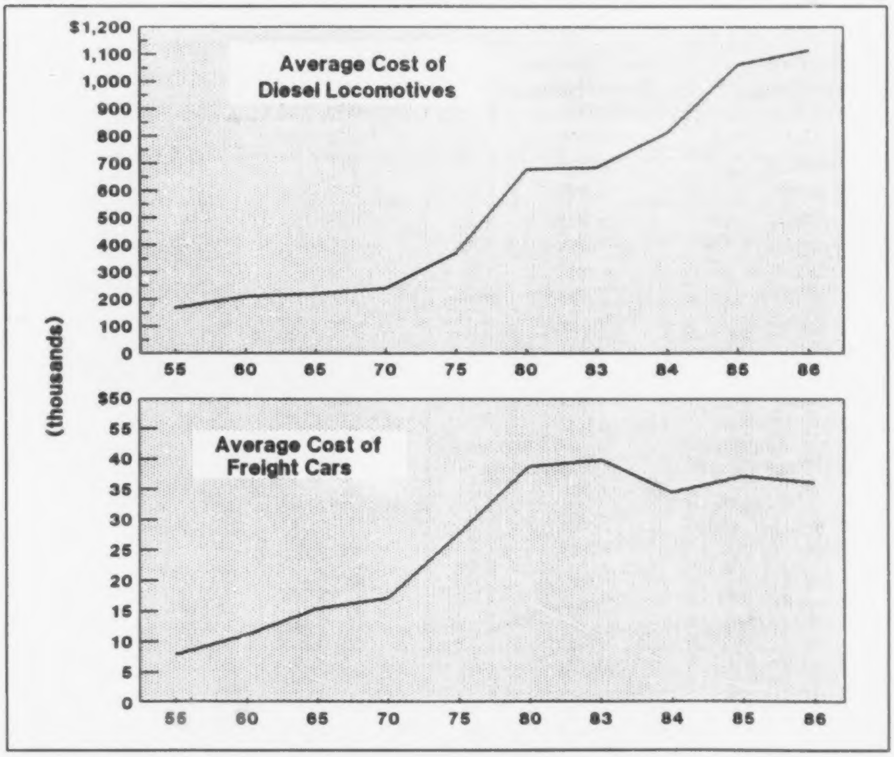
COST OF RAILROAD ROLLING STOCK

Average Cost of New Equipment

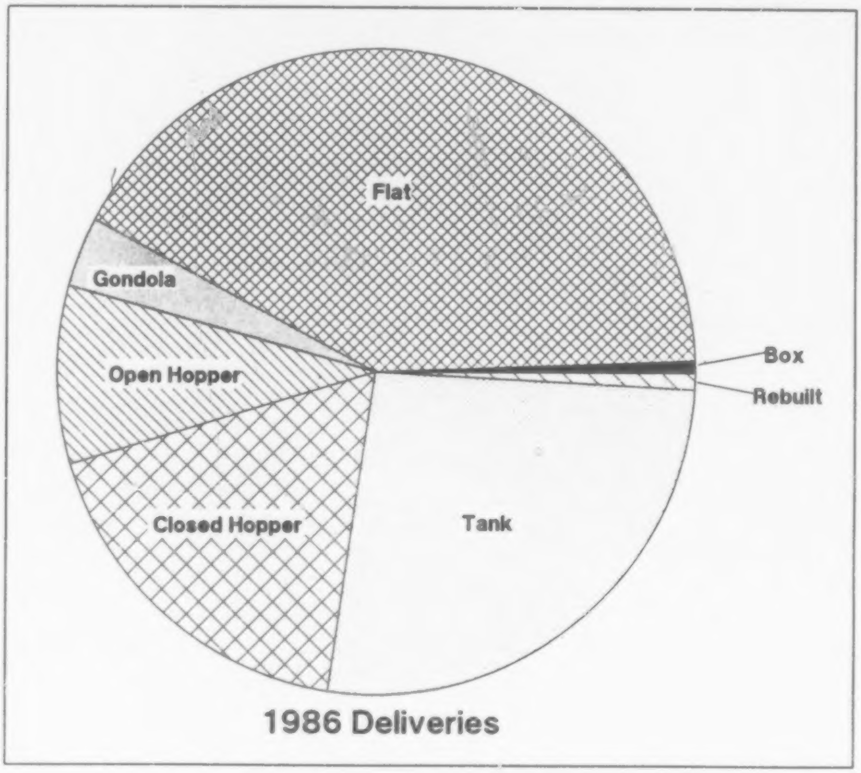
Year	Diesel Locomotives	Freight Train Cars
1955	$167,758	$7,839
1960	211,303	11,115
1965	219,984	15,448
1970	240,960	17,163
1975	372,000	27,777
1980	679,000	37,230
1983	685,000	38,191
1984	812,000	33,278
1985	1,062,000	36,645
1986	1,113,866	35,626

Note: Average Cost is based on weighted average of new units written into account in each respective year.

Source: Special data collected from Class I railroads.



FREIGHT CAR DELIVERIES BY CAR TYPE



Car Types	1979	1980	1981	1982	1983	1984	1985	1986
Box Cars	32,190	14,239	1,571	--	150	--	--	74
Flat Cars	7,518	5,817	1,449	338	880	2,961	3,797	4,822
Gondolas	6,440	12,894	6,882	2,851	405	1,437	2,520	412
O.T. Hoppers	13,711	10,091	6,766	3,958	824	780	569	1,038
Covered Hoppers	22,215	26,731	17,414	5,477	745	3,131	2,352	2,085
Refrigerators	540	992	460	150	--	--	--	--
Tank Cars	9,884	10,942	8,577	4,046	2,740	3,717	2,687	3,077
Others	3,152	3,759	1,706	416	28	370	155	--
Total New Cars	95,650	85,465	44,825	17,236	5,772	12,396	12,080	11,508
Rebuilt Cars	882	1,163	1,100	1,500	100	--	--	95
GRAND TOTAL	96,532	86,628	45,925	18,736	5,872	12,396	12,080	11,603

Source: AAR Transportation Division and American Railway Car Institute.

THE LOCOMOTIVE FLEET BY TYPE OF UNIT

Locomotives in Service

Year	Total	Diesel	Electric	Other
1977	27,667	27,450	205	12
1978	27,400	27,184	204	12
1979	28,097	27,922	163	12
1980	28,396	28,243	141	12
1981	27,808	27,732	74	2
1982	27,073	27,000	71	2
1983	25,838	25,775	61	2
1984	24,506	24,443	61	2
1985	22,932	22,869	61	2
1986	21,161	21,098	61	2

Notes: Includes AMTRAK locomotives for all years, Auto-Train for 1977.

Sources: R-1 Annual Reports to the ICC and supplemental information from AMTRAK.

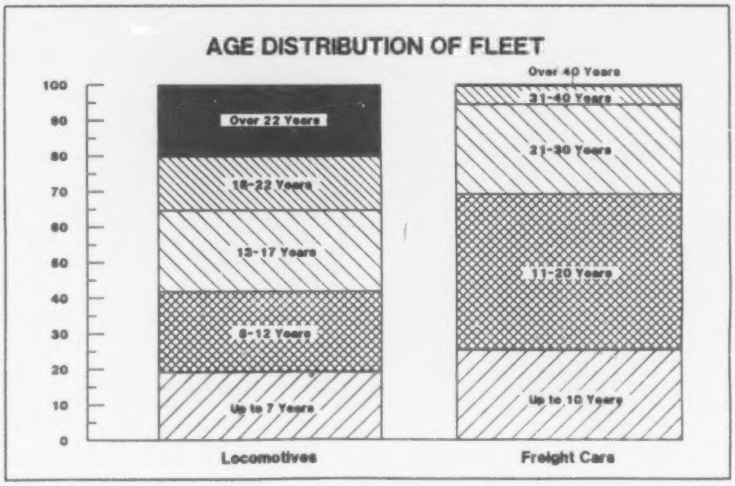
HORSEPOWER OF THE DIESEL LOCOMOTIVE FLEET

Year	Units in Service	Average HP Per Unit	Aggregate Horsepower (millions)
1977	27,450	2,167	59.5
1978	27,184	2,204	59.9
1979	27,922	2,258	63.0
1980	28,243	2,300	65.0
1981	27,732	2,326	64.5
1982	27,000	2,341	63.2
1983	25,775	2,246	57.9
1984	24,443	2,415	59.0
1985	22,869	2,469	56.5
1986	21,098	2,531	53.4

Note: Includes AMTRAK locomotives for all years, Auto-Train for 1977.

Sources: Analysis of Class I Railroads and supplemental information from AMTRAK.

AGE OF LOCOMOTIVES AND FREIGHT CARS



Age Distribution of Diesel Locomotive Fleet - January 1, 1987

Date Built	Units in Age Bracket	Percentage of Total
Jan. 1, 1980-Dec. 31, 1987	3,959	19.0 %
Jan. 1, 1975-Dec. 31, 1979	4,725	22.7
Jan. 1, 1970-Dec. 31, 1974	4,762	22.9
Jan. 1, 1965-Dec. 31, 1969	3,143	15.1
Before Jan. 1, 1965	4,203	20.2
Total	20,792	100.0

Age Distribution of Railroad-Owned Freight Cars - January 1, 1987

Car Age (years)	Cars In Age Bracket (thousands)	Percentage of Total
0-10	239	25.2 %
11-20	417	43.9
21-30	240	25.3
31-40	48	5.1
Over 40	5	0.5
Total	949	100.0

Note: The data necessary to determine the age distribution of the locomotive and freight car fleets are not available in the same data sources used for ownership figures shown elsewhere in this publication. Therefore, the figures shown above for the total fleet size do not precisely agree with those on previous pages.

Sources: Locomotive data - R-1 Annual Reports to the ICC, Schedule 710. Freight car data - UMLER file.

RAILROAD CAR TYPES AND COMMODITIES

Commodity	Type of Car					
	Box	Covered Hopper	Flat	Gondola	Hopper	Tank
Coal				X	X	
Chemicals & Allied Prod.	X	X				X
Coke					X	
Crushed Stone & Gravel				X	X	
Food & Kindred Products	X					
Freight Frwding/Shipper	X		X			
Grain & Grain Mill Products	X	X				
Lumber & Wood Products	X		X			
Metallic Ores					X	
Metals & Products	X		X	X		
Motor Vehicles & Equip.	X		X			
Nonmetallic Minerals		X			X	
Pulp, Paper & Allied Prod.	X					
Petroleum Products						X
Primary Forest Products			X	X		
Stone, Clay & Glass Prod.	X	X				
TOFC Traffic			X			
Waste & Scrap Materials	X			X		

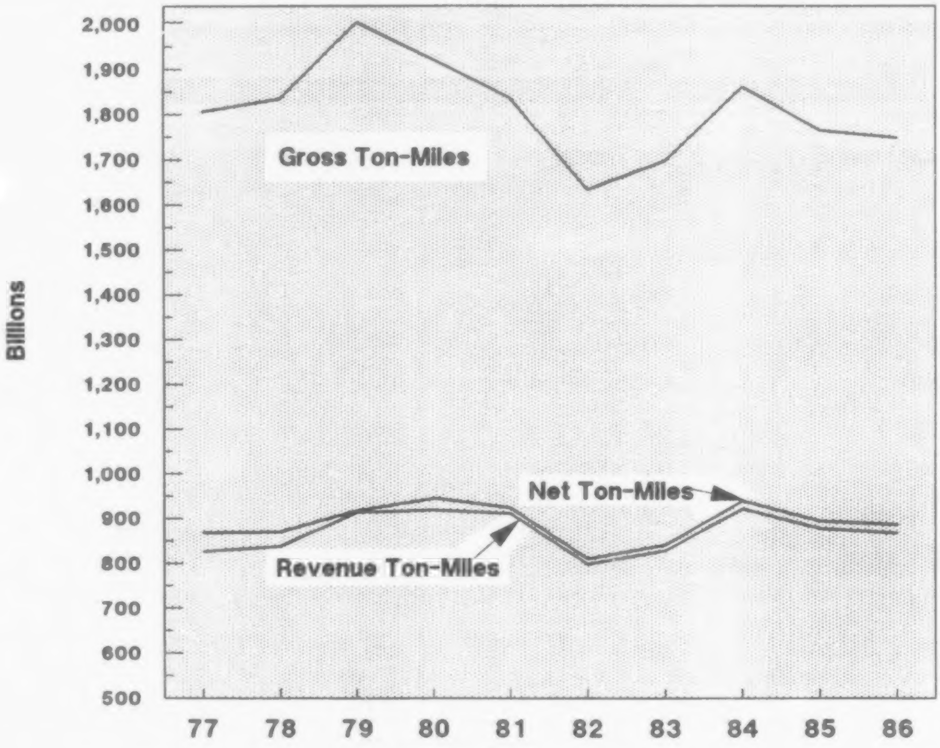
Source: Merrill Lynch, Railroad Equipment and AAR Transportation Division.

TON-MILES PER MILE OF ROAD

					Thousands of Ton-Miles per Mile of Road		
Year	Gross Ton-Miles (millions)	Net Ton-Miles (millions)	Revenue Ton-Miles (millions)	Avg. Miles Operated in Freight Service	Gross Ton-Miles	Net Ton-Miles	Revenue Ton-Miles
1977	1,806,738	868,508	826,292	197,485	9,149	4,398	4,184
1978	1,835,490	868,515	857,921	191,917	9,564	4,525	4,470
1979	2,037,416	917,660	904,956	183,497	11,103	5,001	4,932
1980	1,910,729	951,914	918,958	176,769	10,809	5,385	5,199
1981	1,865,396	923,167	910,169	177,012	10,538	5,215	5,142
1982	1,634,213	808,910	797,759	173,656	9,411	4,658	4,594
1983	1,698,163	841,349	828,275	169,862	9,997	4,953	4,876
1984	1,861,926	939,401	921,542	165,221	11,269	5,686	5,578
1985	1,765,368	893,809	876,984	161,037	10,962	5,550	5,446
1986	1,747,921	886,043	867,722	155,315	11,254	5,705	5,587

Note: Gross ton-miles include weight of load and freight cars, but exclude weight of locomotives; net ton-miles represent the sum of revenue and non-revenue ton-miles.

Source: Analysis of Class I Railroads.



FREIGHT CAR MILES

Year	Total Freight Car-Miles (millions)	Loaded Car-Miles (millions)	Empty Car-Miles (millions)	Loaded Car-Miles as a Percent of Total
1977	28,749	16,324	12,425	56.8 %
1978	29,076	16,890	12,186	58.1
1979	29,437	16,831	12,605	57.1
1980	29,277	16,017	13,260	54.7
1981	27,968	15,243	12,725	54.5
1982	23,852	13,276	10,675	55.7
1983	24,358	13,769	10,589	56.4
1984	26,409	15,043	11,366	57.0
1985	24,920	14,251	10,668	57.2
1986	24,414	14,023	10,392	57.4

Note: Non-revenue car-miles are divided equally between loaded and empty car-miles.

Source: Analysis of Class I Railroads.

NET TON-MILES PER LOADED CAR-MILE

Year	Net Ton-Miles (millions)	Loaded Car-Miles (millions)	Net Ton-Miles Per Loaded Car-mile
1977	868,508	16,324	53.2
1978	868,515	16,890	51.4
1979	917,660	16,823	54.5
1980	951,914	16,017	59.4
1981	923,167	15,243	60.6
1982	808,910	13,276	60.9
1983	841,349	13,752	61.2
1984	939,401	15,043	62.4
1985	893,809	14,251	62.7
1986	886,043	14,023	63.2

Note: Loaded car-miles include 50 percent of non-revenue car-miles.

Source: Analysis of Class I Railroads.

AVERAGE NUMBER OF TONS PER CARLOAD ORIGINATED

Year	Tons Originated (thousands)	Carloads Originated (thousands)	Tons per Carload Originated
1977	1,394,742	22,823	61.1
1978	1,390,132	22,477	61.7
1979	1,481,154	23,086	64.2
1980	1,492,414	22,223	67.2
1981	1,453,022	21,343	68.1
1982	1,268,645	18,585	68.3
1983	1,292,607	19,013	68.0
1984	1,429,388	20,946	68.2
1985	1,319,794	19,501	67.7
1986	1,305,839	19,589	66.7

Source: Analysis of Class I Railroads.

REVENUE TON-MILES PER CAR LOADED

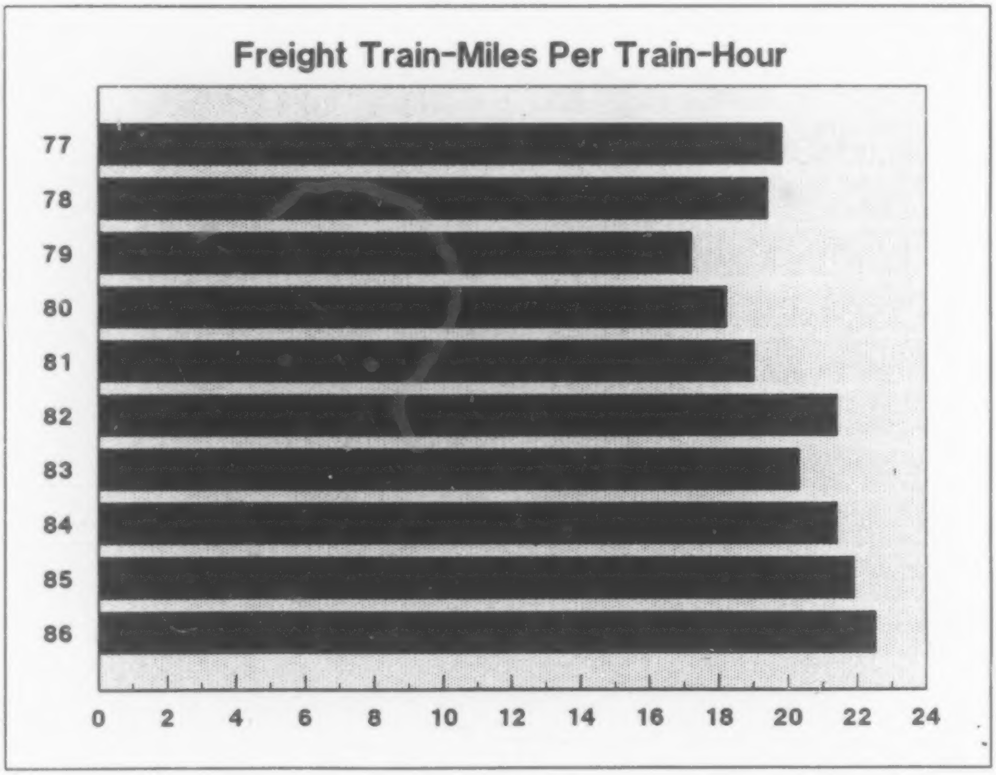
Year	Revenue Ton-Miles (millions)	Freight Carloadings (thousands)	Revenue Ton-Miles per Car Loaded
1977	826,292	22,823	36,204
1978	857,921	22,477	38,169
1979	904,951	23,086	38,199
1980	918,958	22,223	41,352
1981	910,169	21,343	42,645
1982	797,759	18,585	42,925
1983	828,275	19,013	43,564
1984	921,542	20,946	43,996
1985	876,984	19,501	44,971
1986	867,722	19,589	44,296

Source: Analysis of Class I Railroads.

FREIGHT TRAIN-MILES PER TRAIN-HOUR

Year	Freight Train-Miles (thousands)	Freight Train-Hours (thousands)	Freight Train-Miles per Train-Hour
1977	428,040	21,671	19.8
1978	432,895	22,351	19.4
1979	437,848	25,514	17.2
1980	428,498	23,567	18.2
1981	407,520	21,415	19.0
1982	344,936	16,104	21.4
1983	345,916	17,027	20.3
1984	369,403	17,248	21.4
1985	347,292	15,864	21.9
1986	347,234	15,438	22.5

Source: Analysis of Class I Railroads.

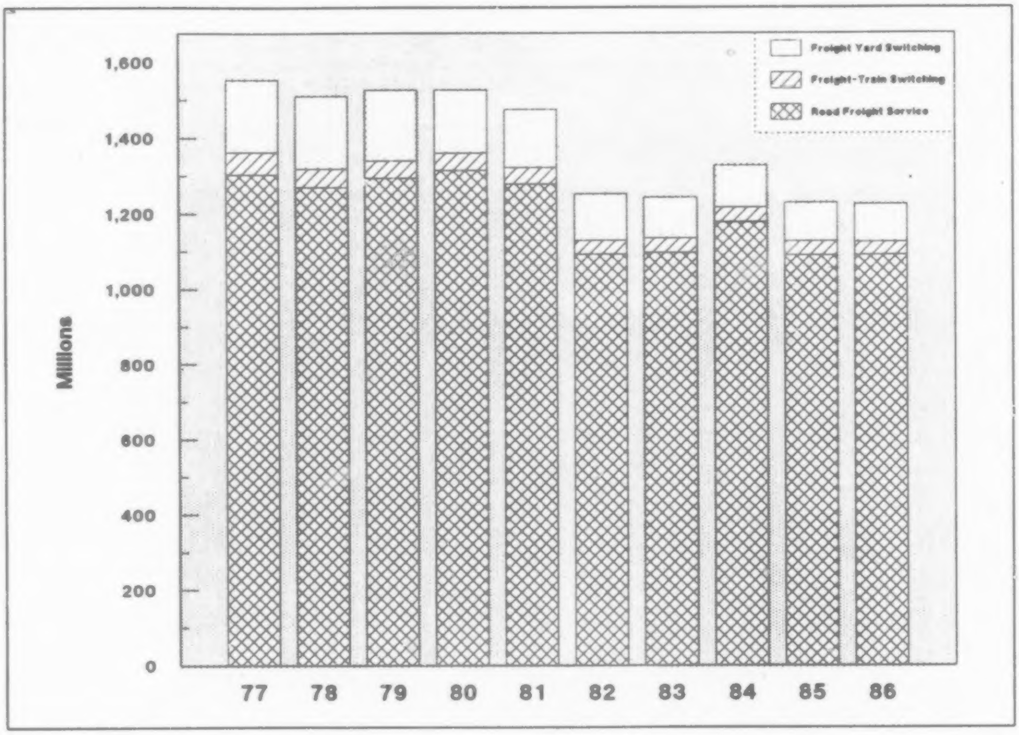


LOCOMOTIVE UNIT-MILES IN FREIGHT SERVICE

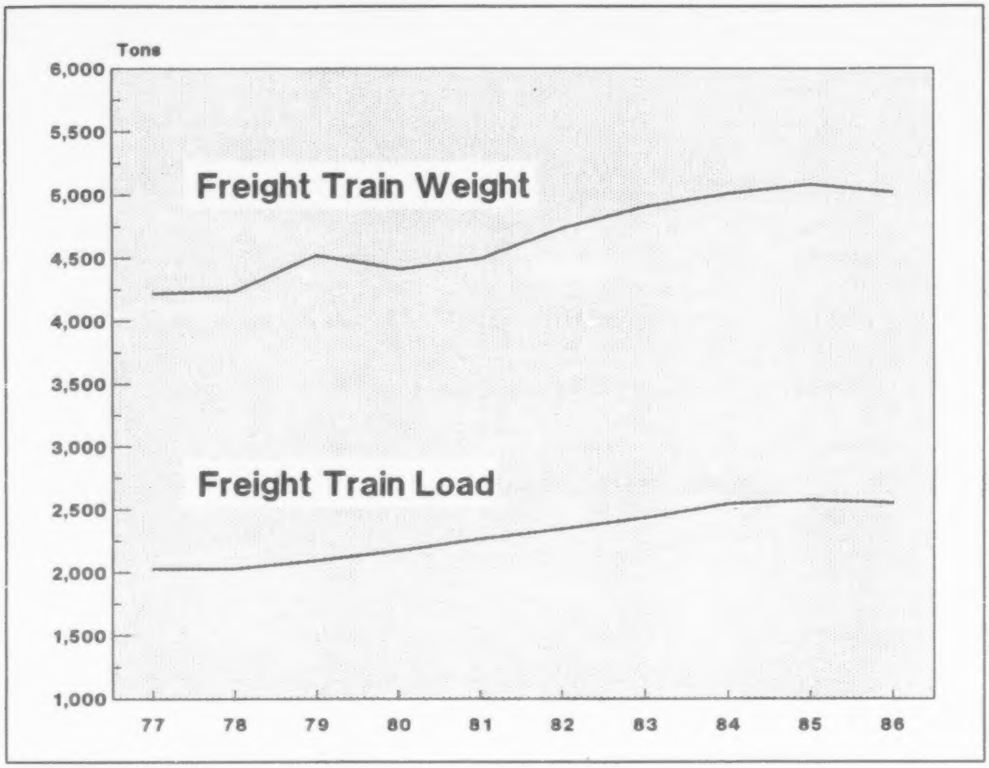
(Unit-miles in thousands)

Year	Total	Road Freight Service	Freight-Train Switching	Freight Yard Switching
1977	1,553,442	1,303,157	58,910	191,375
1978	1,510,827	1,270,606	48,109	192,112
1979	1,526,093	1,293,799	45,820	186,474
1980	1,531,050	1,319,010	45,808	166,232
1981	1,474,904	1,278,128	43,718	153,059
1982	1,251,962	1,092,036	36,583	122,803
1983	1,242,025	1,096,471	37,930	107,624
1984	1,326,470	1,176,831	39,147	110,492
1985	1,228,136	1,088,622	37,591	101,923
1986	1,223,633	1,089,896	34,858	98,878

Source: Analysis of Class I Railroads.



AVERAGE FREIGHT TRAIN LOAD



Year	Gross Ton-Miles Excluding Locomotives (millions)	Net Ton-Miles (millions)	Freight Train-Miles (thousands)	Avg. Freight-Train Weight Including Weight of Cars (tons)	Avg. Freight-Train Load (tons)
1977	1,806,738	868,508	428,040	4,221	2,029
1978	1,835,490	868,515	432,895	4,240	2,006
1979	2,037,416	917,660	437,848	4,653	2,096
1980	1,910,729	951,914	428,498	4,459	2,222
1981	1,865,396	923,167	407,520	4,577	2,265
1982	1,634,213	808,910	344,936	4,738	2,345
1983	1,698,163	841,349	345,916	4,909	2,432
1984	1,861,926	939,401	369,403	5,040	2,543
1985	1,765,368	893,809	347,292	5,083	2,574
1986	1,747,921	886,043	347,234	5,034	2,552

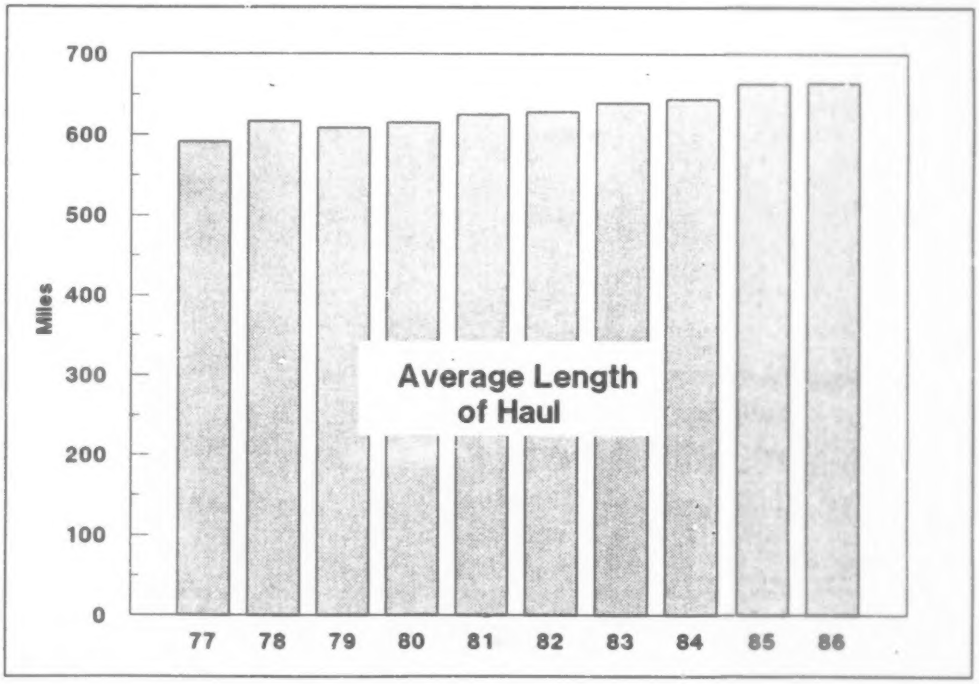
Source: Analysis of Class I Railroads.

AVERAGE LENGTH OF RAILROAD HAUL

Year	Revenue Ton-Miles (billions)	Tons Originated (millions)	Average Length of Haul (miles)
1977	826	1,395	592
1978	858	1,390	619
1979	905	1,481	610
1980	919	1,492	616
1981	910	1,453	626
1982	798	1,269	629
1983	828	1,293	640
1984	922	1,429	645
1985	877	1,320	664
1986	868	1,306	665

Note: Average length of haul, as computed above, treats all Class I railroads as a system.

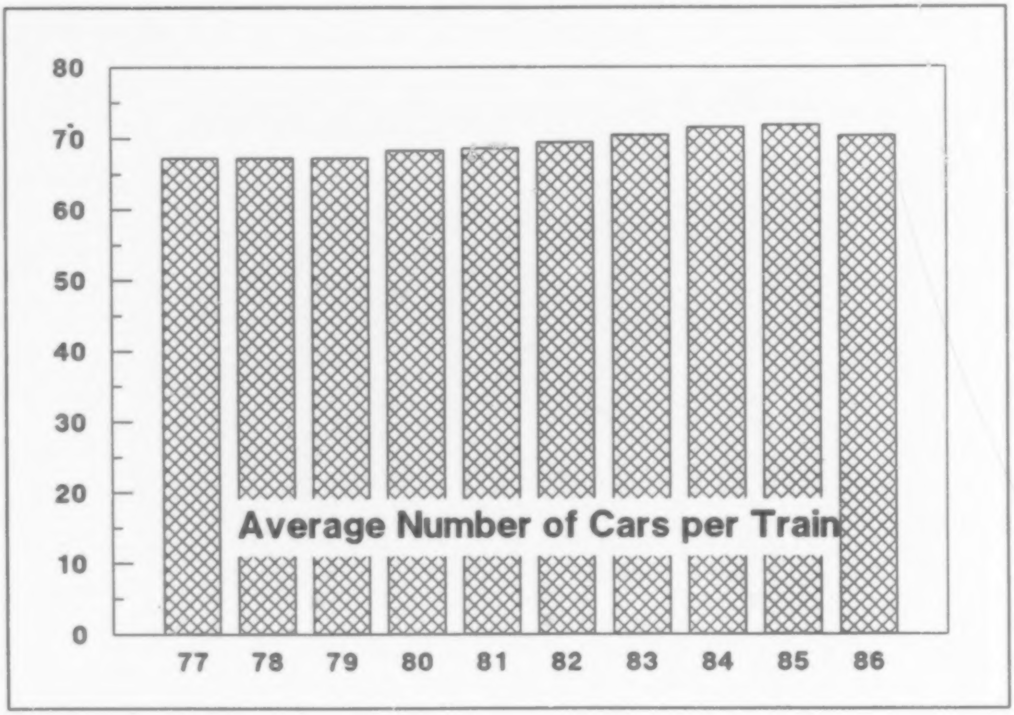
Sources: Ton-Miles - Analysis of Class I Railroads; Tons Originated - Freight Commodity Statistics.



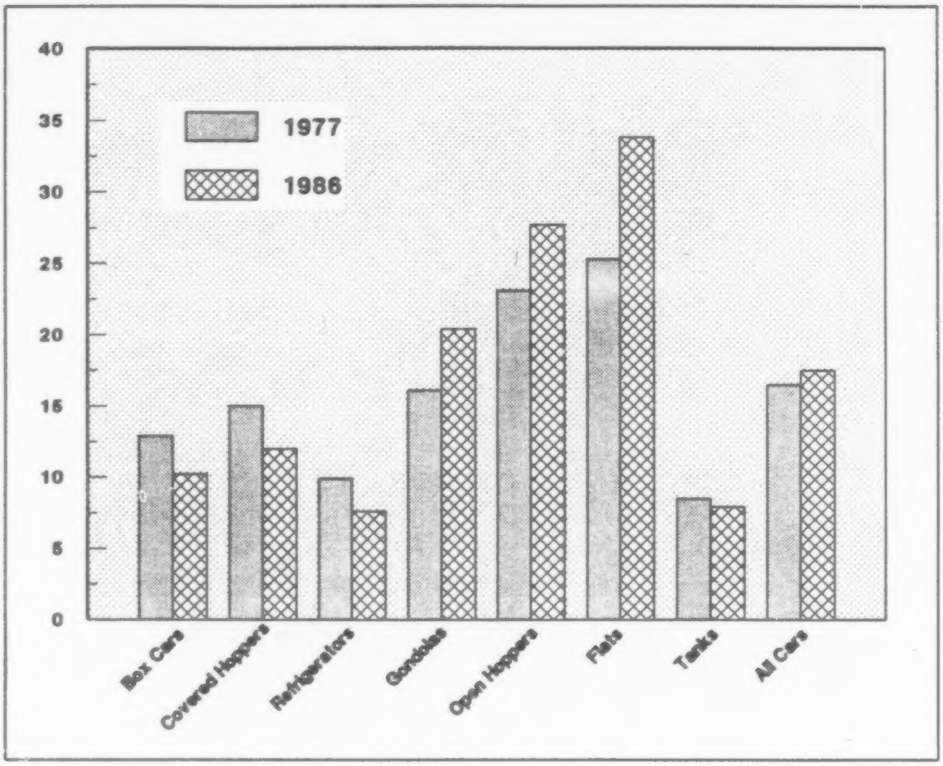
CARS PER AVERAGE FREIGHT TRAIN

Year	Total Freight Car-Miles (millions)	Freight Train-Miles (thousands)	Average Number of Cars Per Train
1977	28,749	428,040	67.2
1978	29,076	432,895	67.2
1979	29,437	437,848	67.2
1980	29,277	428,498	68.3
1981	27,968	407,520	68.6
1982	23,852	344,936	69.1
1983	24,358	345,916	70.4
1984	26,409	369,403	71.5
1985	24,920	347,292	71.8
1986	24,414	347,234	70.3

Source: Analysis of Class I Railroads.



AVERAGE NUMBER OF FREIGHT CAR TRIPS PER YEAR



Year	Box Cars	Covered Hoppers	Refrig- erators	Gondolas	Open Top Hoppers	Flats	Tanks	All Cars
1977	12.9	15.0	9.9	16.1	23.1	25.3	8.5	16.5
1978	12.7	15.0	10.7	16.5	22.2	25.8	8.2	16.5
1979	11.7	14.0	10.2	17.3	25.5	24.3	8.1	16.5
1980	10.7	14.0	10.0	17.8	24.8	20.8	7.7	15.8
1981	9.7	12.0	8.9	17.8	25.3	21.0	7.3	15.1
1982	8.2	11.0	7.7	14.8	21.7	22.0	6.5	13.6
1983	8.8	12	7.4	16.2	21.7	26.6	7.0	14.7
1984	9.1	12.0	7.0	18.0	24.8	29.2	7.3	16.0
1985	9.4	11.0	7.0	19.1	24.8	30.9	7.4	16.2
1986	10.2	12.0	7.6	20.4	27.7	33.8	7.9	17.5

Source: AAR Transportation Division.

FREIGHT LOSS AND DAMAGE CLAIMS

Year	Claims (million $)	Percent of Gross Freight Revenue
1977	$278	1.31 %
1978	304	1.32
1979	328	1.35
1980	324	1.08
1981	257	0.75
1982	233	0.77
1983	162	0.53
1984	161	0.46
1985	151	0.46
1986	143	0.47

Source: AAR Freight Claims Division.

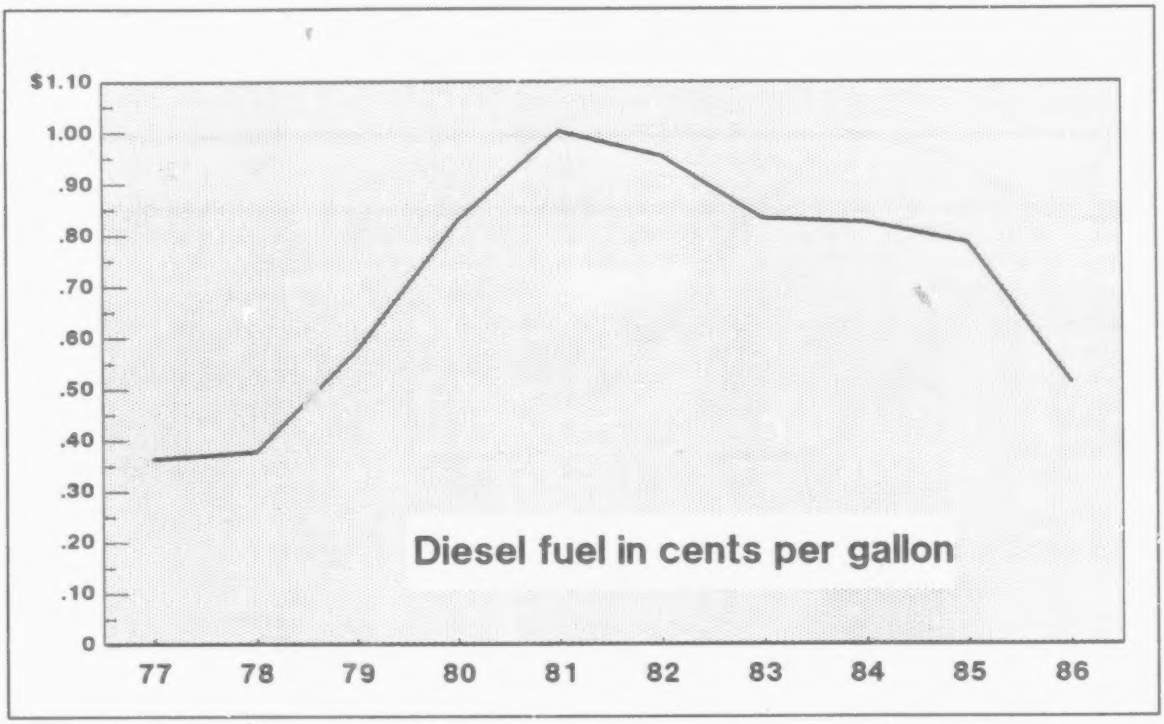
NUMBER OF OVERHEATED JOURNALS PER FREIGHT CAR MILE

Year	Overheated Journals	Freight Car-Miles (millions)	Overheated Journals per Million Car-Miles
1977	12,977	28,749	0.45
1978	11,917	29,076	0.41
1979	11,895	29,437	0.40
1980	8,519	29,277	0.29
1981	8,187	27,968	0.29
1982	5,375	23,852	0.23
1983	4,951	24,358	0.20
1984	4,874	26,409	0.18
1985	4,460	24,920	0.18
1986	3,406	24,414	0.14

Note: An overheated journal is generally referred to as a hot box.

Source: AAR Mechanical Division.

RAILROAD FUEL PRICES

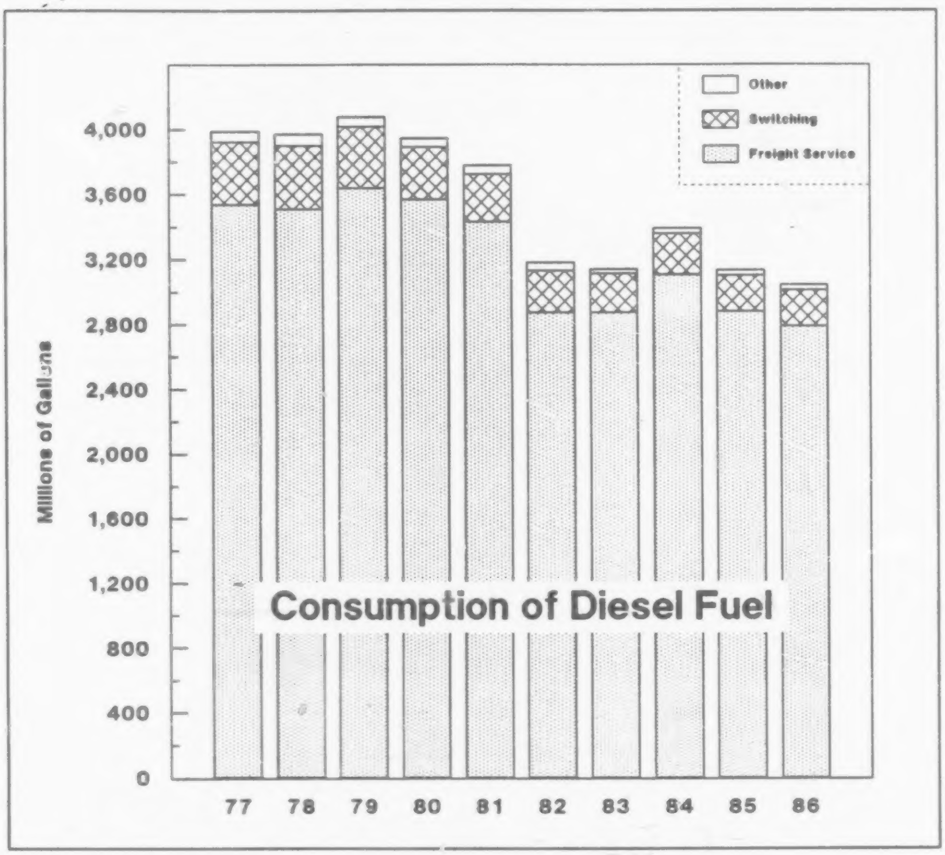


Price Per Gallon
(Average of twelve months)

Year	Cents	Index
1977	36.38	100.0
1978	37.89	104.2
1979	57.60	158.3
1980	83.00	228.1
1981	100.23	275.5
1982	95.43	262.3
1983	83.12	228.5
1984	82.57	227.0
1985	78.34	215.3
1986	49.23	135.3

Source: Analysis of Class I Railroads.

RAILROAD CONSUMPTION OF DIESEL FUEL



(millions of gallons)

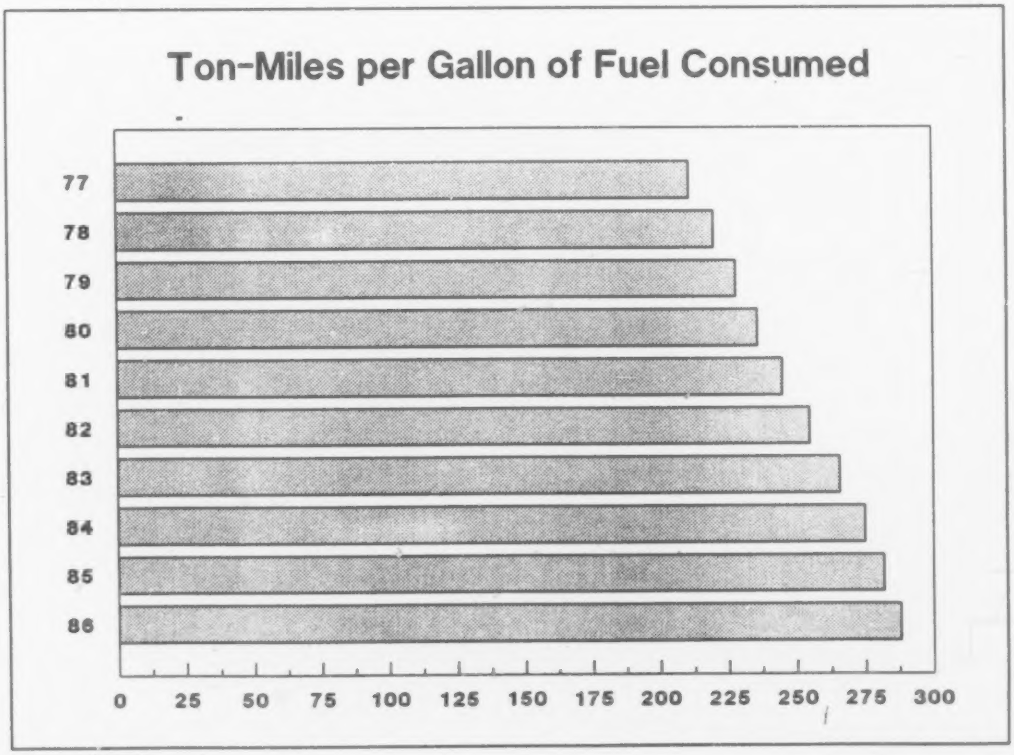
Year	Total	Freight Service	Passenger Service	Switching	Work Train	Rail Motor Cars
1977	3,985	3,537	43	384	18	3
1978	3,982	3,519	52	392	17	2
1979	4,082	3,647	39	377	17	3
1980	3,958	3,581	35	323	17	2
1981	3,775	3,429	34	293	18	1
1982	3,178	2,872	34	258	15	1
1983	3,137	2,872	11	240	15	1
1984	3,389	3,104	11	252	21	1
1985	3,145	2,878	11	232	23	1
1986	3,039	2,787	11	221	20	1

Source: R-1 Annual Reports to the ICC, Schedule 750.

RAILROAD FUEL EFFICIENCY

Year	Revenue Ton-Miles (millions)	Fuel Consumed in Freight Service and Switching (million gallons)	Ton-Miles per Gallon of Fuel Consumed
1977	826,292	3,921	211
1978	857,921	3,911	219
1979	904,956	4,024	225
1980	918,958	3,904	235
1981	910,169	3,722	245
1982	797,759	3,130	255
1983	828,275	3,112	266
1984	921,542	3,356	275
1985	876,984	3,110	282
1986	867,722	3,008	288

Sources: R-1 Annual Reports to the ICC, Schedules 750 and 755.

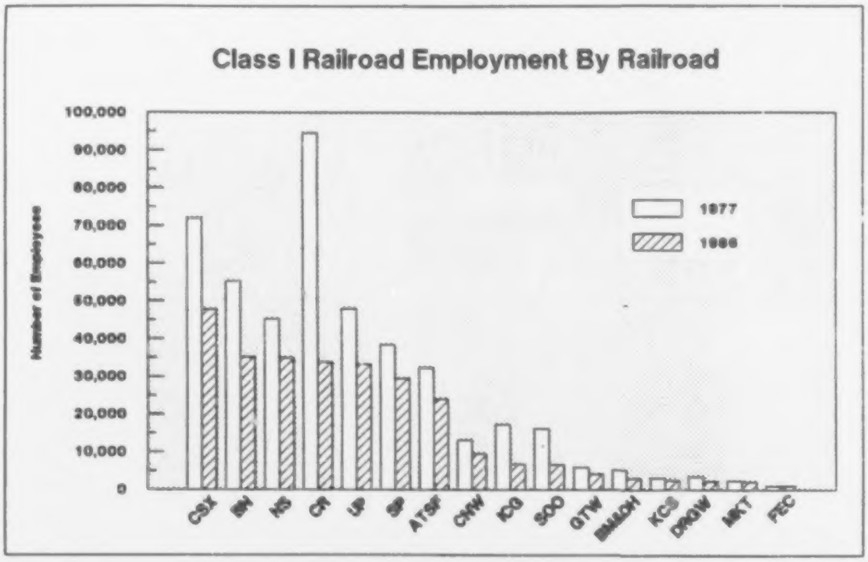


AVERAGE NUMBER OF RAILROAD EMPLOYEES

Railroad Systems	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
CSX Corporation	72,021	71,742	73,612	71,681	70,333	64,350	57,180	55,806	52,011	47,803
Burlington Northern, Inc.	55,308	56,757	59,631	58,964	55,347	46,015	40,911	39,793	38,294	35,110
Norfolk Southern Corporation	45,255	40,251	44,931	43,339	41,704	39,023	35,211	37,273	36,415	34,857
Conrail	94,605	91,318	87,511	79,574	70,264	57,704	39,820	39,044	36,331	33,768
Union Pacific Corporation	47,297	49,074	51,649	50,926	49,713	42,856	40,527	40,450	37,911	33,271
Southern Pacific Transp. Co.	38,409	38,843	40,126	39,551	38,561	33,720	30,733	31,379	29,557	29,425
Atchison, Topeka & Santa Fe	32,235	33,289	33,975	34,423	33,605	28,401	26,037	27,583	26,020	23,965
Chicago & North Western	13,037	13,523	13,268	14,095	14,345	11,757	10,929	11,123	10,255	9,450
Illinois Central Gulf	17,163	17,094	17,391	16,682	15,670	13,675	10,414	9,871	9,215	6,778
Soo Line	16,027	15,521	15,206	13,011	11,793	9,537	8,372	8,529	7,549	6,549
Grand Trunk Western	5,905	5,942	5,861	5,652	5,302	4,879	4,389	4,257	4,233	4,059
Guilford Transp.(B&M, D&H only)	5,224	5,014	5,229	5,154	4,784	4,489	4,060	3,949	3,894	2,934
Kansas City Southern	3,082	3,101	3,234	3,209	3,166	2,937	2,622	2,683	2,599	2,458
Denver & Rio Grande Western	3,430	3,525	3,780	3,600	3,652	3,282	3,035	3,022	2,548	2,233
Missouri-Kansas-Texas	2,398	2,440	2,553	2,740	2,945	2,499	2,295	2,598	2,505	2,125
Florida East Coast	1,030	1,054	1,071	1,136	1,195	1,105	1,024	1,050	1,047	1,032
TOTALS	452,426	448,488	459,028	443,737	422,379	366,229	317,559	318,410	300,384	275,817

Note: Consist of roads for all years includes only those Class I railroads and predecessor railroads which are included in 1986 Class I systems (i.e., a constant 1986 consist). Therefore, totals will not agree with total employees shown elsewhere in this publication, except for 1986.

Source: Analysis of Class I Railroads.



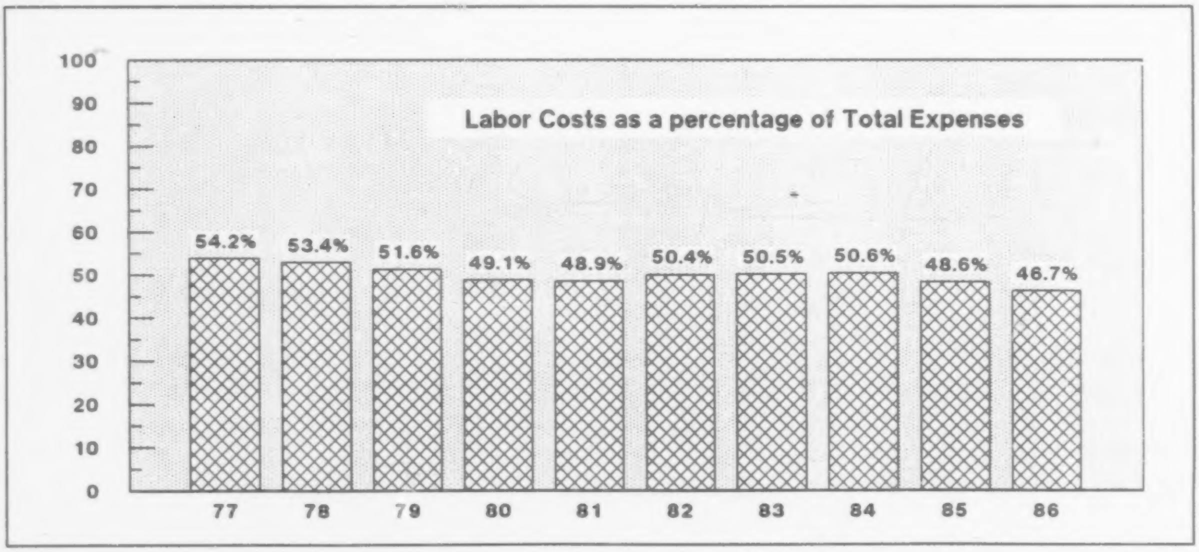
Class I Railroad Employment By Railroad

RAILROAD EMPLOYEES AND COMPENSATION

Year	Number of Employees	Total Wages ($ mill)	Average Annual Earnings Per Empl.	Payroll Taxes ($ mill)	Health & Welfare Benefits & Pensions ($ mill)	Total Comp. ($ mill)	Average Annual Comp. Per Empl.
1977	482,732	$8,939	$18,518	$1,471	$716	$11,126	$23,047
1978	471,519	9,571	20,298	1,527	744	11,842	25,114
1979	474,501	10,740	22,634	1,736	796	13,272	27,971
1980	458,332	11,318	24,695	1,748	909	13,975	30,492
1981	436,397	11,651	26,698	1,984	1,091	14,725	33,742
1982	378,904	11,010	29,058	2,064	1,118	14,192	37,456
1983	322,030	10,345	32,125	1,978	1,094	13,417	41,664
1984	323,030	11,004	34,064	2,284	1,229	14,517	44,940
1985	301,879	10,563	34,991	2,391	878	13,832	45,821
1986	275,817	9,900	35,894	2,491	877	13,268	48,106

Note: Total compensation included in this table covers both operating and capitalized labor expenses. Although total wages are available on that basis, only that portion of fringe benefits (payroll taxes, health and welfare benefits and pensions) charged to operating expenses is available. Therefore, fringe benefits charged to operating expenses have been multiplied by the ratio of total wages to wages charged to operating expenses to estimate operating and capitalized expenses for those components of compensation.

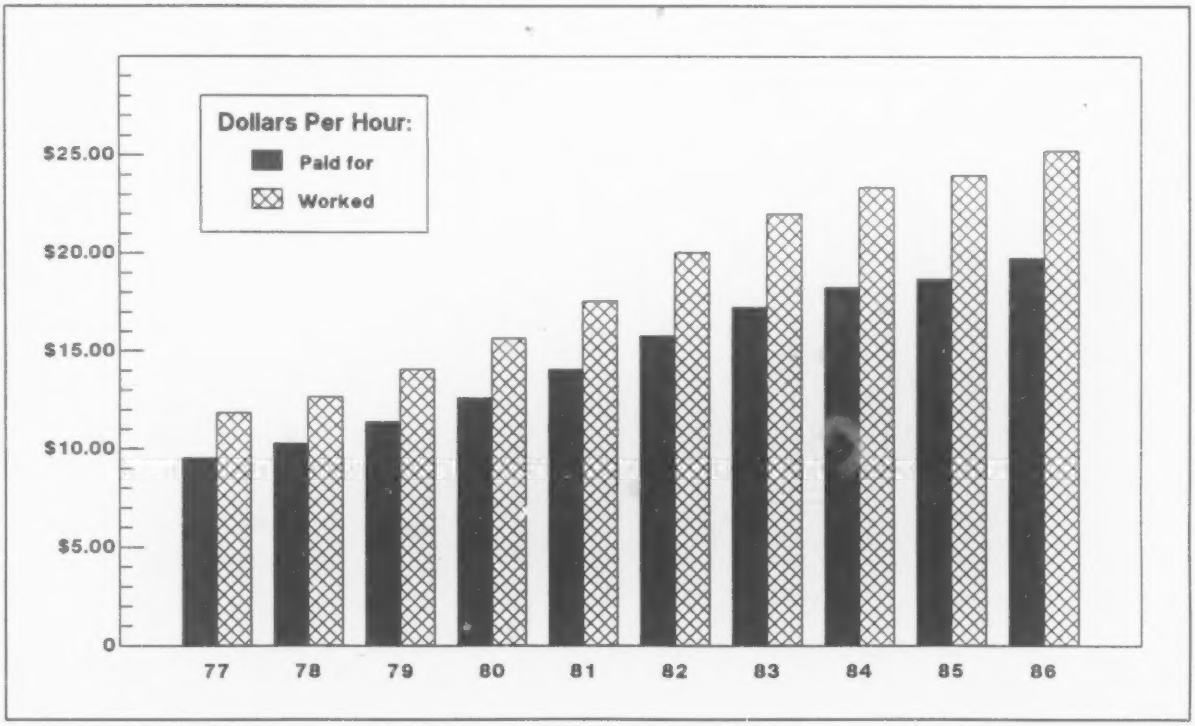
Source: Analysis of Class I Railroads.



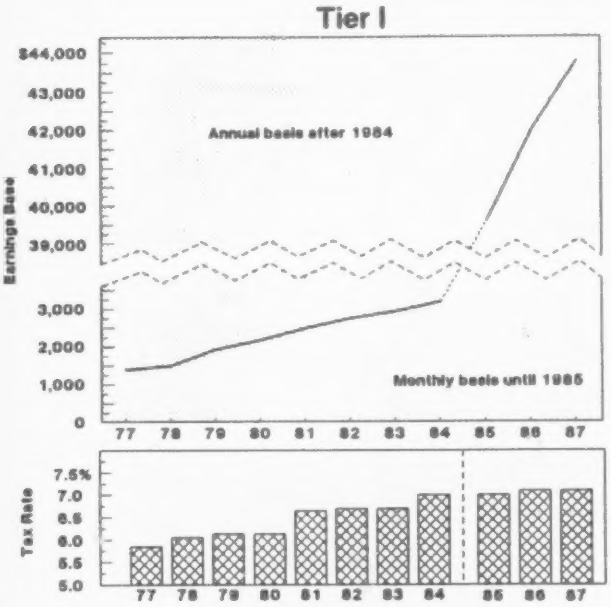
COMPENSATION PER HOUR PAID AND WORKED

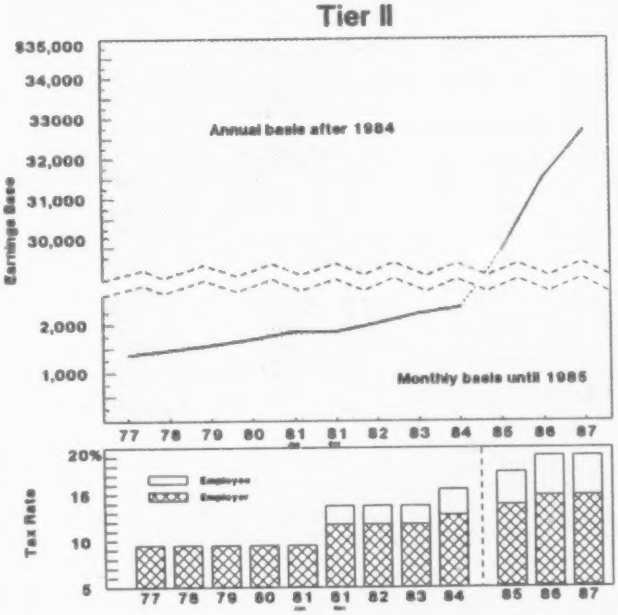
Year	Labor Compensation (millions)	Employee Hours: Paid (millions)	Employee Hours: Worked (millions)	Labor Compensation Per Hour: Paid	Labor Compensation Per Hour: Worked
1977	$11,126	1,168	940	$9.53	$11.84
1978	11,842	1,150	934	10.30	12.68
1979	13,272	1,164	943	11.40	14.07
1980	13,975	1,108	893	12.61	15.65
1981	14,725	1,046	838	14.08	17.57
1982	14,192	899	708	15.79	20.05
1983	13,417	778	610	17.25	22.00
1984	14,517	795	622	18.26	23.34
1985	13,832	739	577	18.72	23.97
1986	13,268	671	526	19.77	25.22

Sources: Analysis of Class I Railroads. The total labor compensation figures are those derived on page 84 (using estimated fringe benefits).



RAILROAD RETIREMENT TAX RATES





		Tier II		Earnings Base	
Effective Date	Tier I	Employee	Employer	Tier I	Tier II
Jan. 1, 1977	5.85 %	--	9.50 %	$1,375	$1,375
Jan. 1, 1978	6.05	--	9.50	1,475	1,475
Jan. 1, 1979	6.13	--	9.50	1,908	1,575
Jan. 1, 1980	6.13	--	9.50	2,158	1,700
Jan. 1, 1981	6.65	--	9.50	2,475	1,850
Oct. 1, 1981	6.65	2.00 %	11.75	2,475	1,850
Jan. 1, 1982	6.70	2.00	11.75	2,700	2,025
Jan. 1, 1983	6.70	2.00	11.75	2,975	2,225
Jan. 1, 1984	7.00	2.75	12.75	3,150	2,350
Jan. 1, 1985	7.05	3.50	13.75	39,600	29,700
Jan. 1, 1986	7.15	4.25	14.75	42,000	31,500
Jan. 1, 1987	7.15	4.25	14.75	43,800	32,700

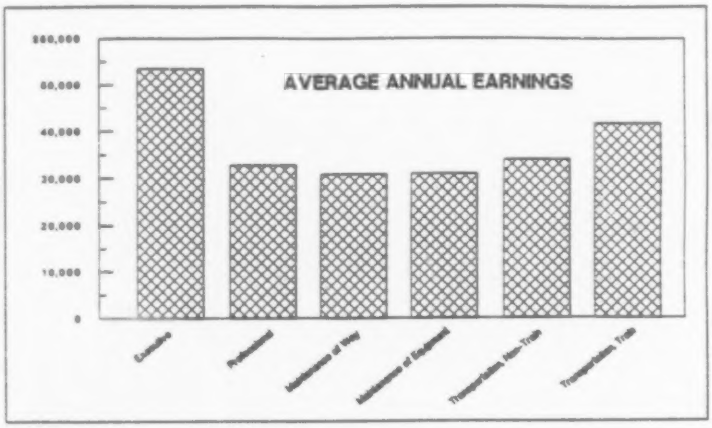
Note: Tier I rates are equally applicable to employers and employees. Employees received a 0.3 percent credit in 1984. Effective in 1985, earnings bases changed from monthly to annual. Under an annual earnings base, taxes are paid on total earnings each month until tax requirements are satisfied.

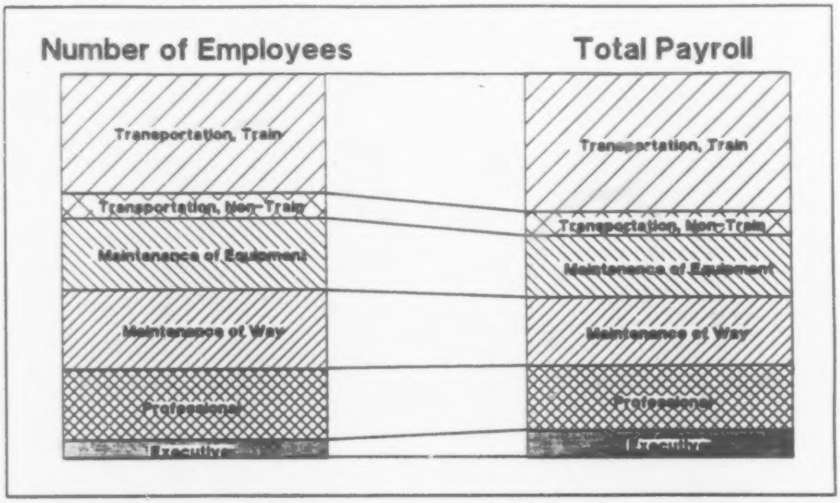
Source: Railroad Retirement Board.

EMPLOYMENT AND ANNUAL WAGES BY CLASS

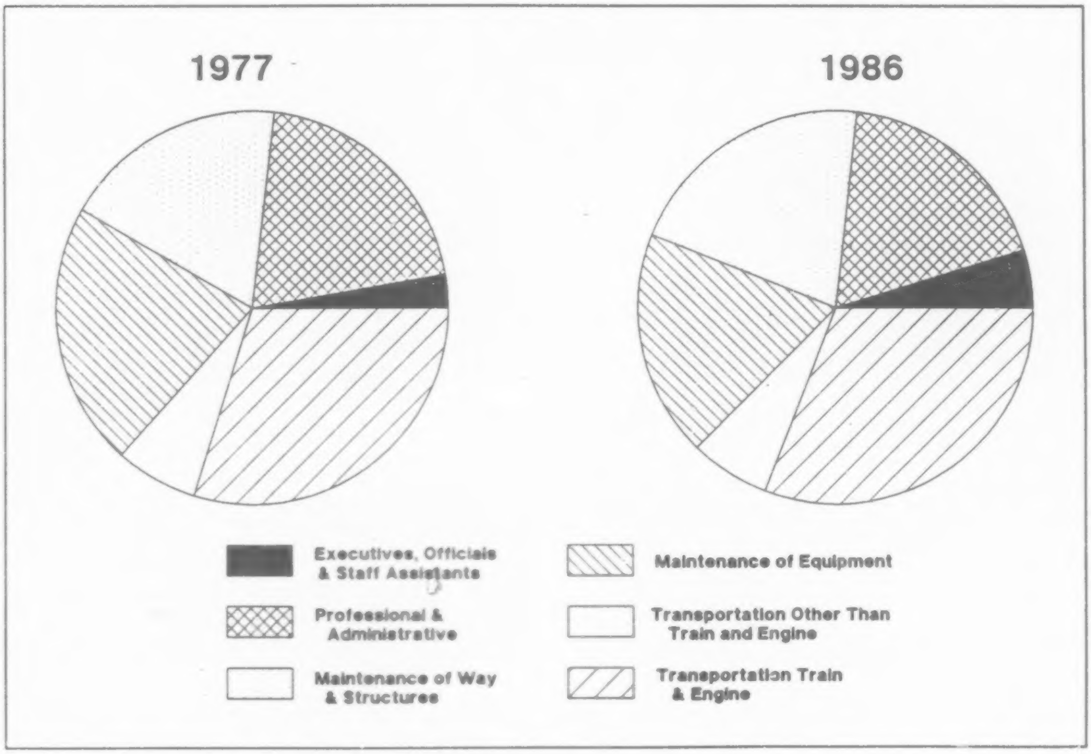
1986

Employee Group	Average Number of Employees	Total Payroll (thousands)	Average Annual Earnings
Executive, officials and staff assistants	13,230	$707,643	$53,488
Professional and administrative	50,769	1,668,890	32,872
Maintenance of way and structures	57,097	1,760,251	30,829
Maintenance of equipment and stores	51,441	1,595,585	31,018
Transportation, other than train, engine	18,092	615,747	34,053
Transportation, train and engine	85,198	3,551,991	41,691
TOTAL	275,817	$9,900,107	$35,894





RAILROAD EMPLOYMENT BY CLASSES



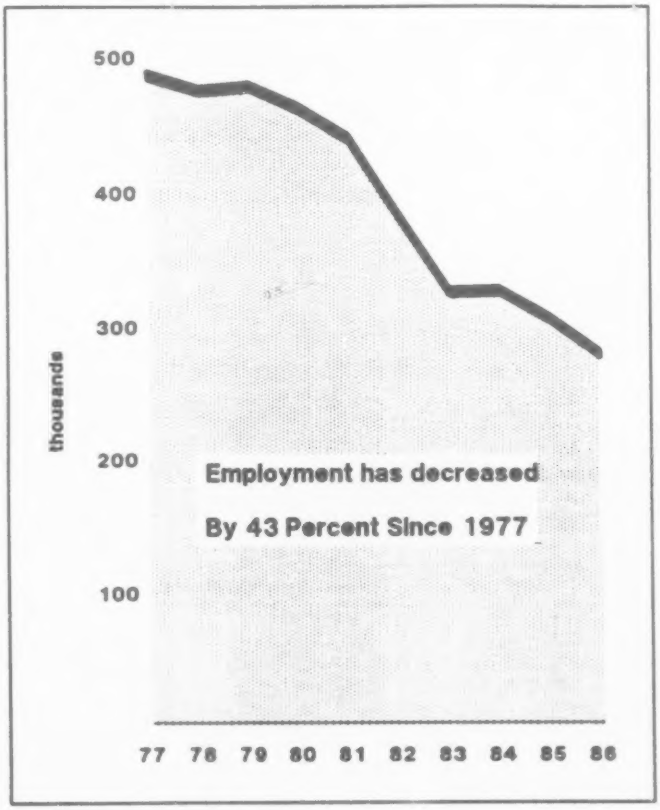
Year	Total	Executives Officials & Staff Assts.	Professional and Administrative	Maint. of Way and Structures	Maint. of Eqpt. & Stores	Transp. Other Than Train & Engine	Transp. Train & Engine
1977	482,732	16,288	97,589	88,861	104,284	32,595	143,115
1978	471,519	16,491	94,473	86,221	102,419	30,691	141,224
1979	474,501	16,933	94,199	87,919	104,791	29,915	140,744
1980	458,332	17,305	92,663	84,259	99,487	29,098	135,520
1981	436,397	17,550	88,738	82,725	92,668	27,432	127,284
1982	378,904	16,866	80,044	72,700	75,001	24,971	109,322
1983	322,030	14,511	68,486	64,172	58,461	20,650	95,750
1984	323,030	14,335	60,477	66,359	61,233	22,054	98,572
1985	301,879	13,619	56,901	62,058	56,104	19,796	93,401
1986	275,817	13,230	50,769	57,097	51,441	18,082	85,198

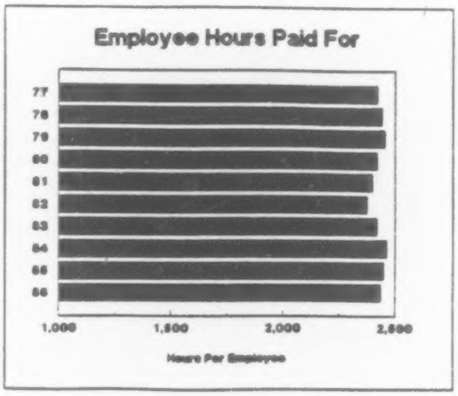
Source: Analysis of Class I Railroads.

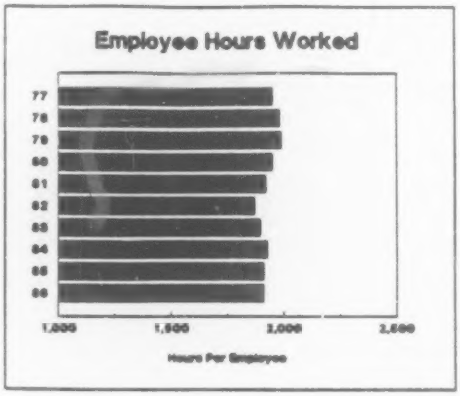
RAILROAD EMPLOYEE HOURS PAID FOR AND HOURS WORKED

Year	Number of Employees	Employee Hours Paid For (Thousands)	Employee Hours Paid For Per Employee	Employee Hours Worked (Thousands)	Employee Hours Worked Per Employee
1977	482,732	1,167,690	2,419	940,426	1,948
1978	471,519	1,150,336	2,440	933,806	1,980
1979	474,501	1,163,725	2,453	942,815	1,987
1980	458,332	1,108,185	2,418	892,572	1,947
1981	436,397	1,045,944	2,397	837,553	1,919
1982	378,904	898,991	2,373	708,221	1,869
1983	322,030	778,431	2,417	610,039	1,894
1984	323,030	794,957	2,461	621,857	1,925
1985	301,879	738,701	2,447	576,626	1,909
1986	275,817	671,331	2,434	526,309	1,908

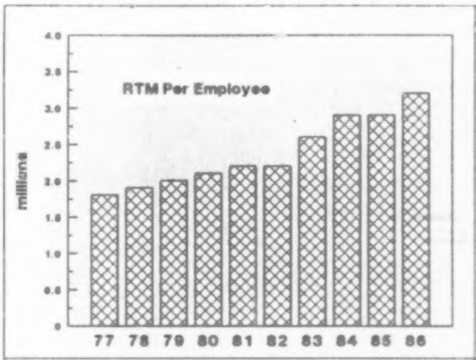
Source: Analysis of Class I Railroads.

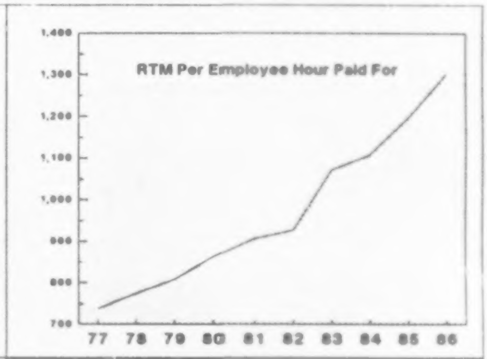


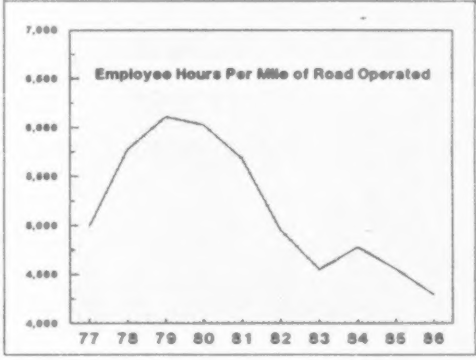


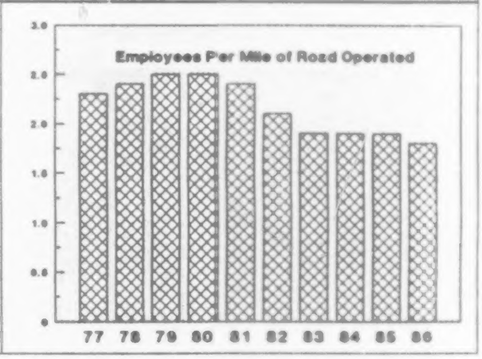


RATIOS OF OPERATING DATA TO EMPLOYMENT AND HOURS









	Freight Revenue Ton-Miles Per		Employees Per Mile of Road Operated (Freight)	Employee Hours Per Mile of Road Operated (Freight)
Year	Employees (millions)	Employee Hours Paid For		
1977	1.8	738	2.3	4,988
1978	1.9	774	2.4	5,772
1979	2.0	808	2.5	6,107
1980	2.1	863	2.5	6,025
1981	2.2	906	2.4	5,678
1982	2.2	927	2.1	4,954
1983	2.6	1,072	1.9	4,551
1984	2.9	1,167	1.9	4,778
1985	2.9	1,196	1.9	4,555
1986	3.2	1,302	1.8	4,292

Notes: Freight Service employment and hours estimated on the basis of ratio of freight operating expenses to total operating expenses.

Source: Analysis of Class I Railroads.

RAILROAD EMPLOYEE UNIONS

Employee Classification	BRAC	BMWE	IBEW	IBBM	BRC	IAM	SMW	IBF&O	BRS	HRE	RYA	ATDA	UTU	BLE
Clerks, Station & Tel Employees	X													
Maintenance of Way Employees		X												
Linesmen & Groundsmen			X											
Blacksmiths & Boilermakers				X										
Carmen					X									
Electrical Workers			X											
Machinists						X								
Sheet Metal Workers							X							
Skilled Trades Helpers, Helper Apprentices & Regular Apprentices (ME & Stores)			X	X	X	X	X							
Coach Cleaners					X									
Stationary Engine & Boiler Room Employees Shop & Roundhouse Laborers								X						
Signalmen, Assistants & Helpers Signal Maintainers, Assistants & Helpers & Gang Foremen									X					
Dining Car Employees										X				
Yardmasters & Assistants											X			
Train Dispatchers & Asst. Chief Dispatchers												X		
Road Passenger Conductors & Assts., Baggagemen, Brakemen & Firemen & Helpers													X	
Road Passenger Engineers & Motormen														X
Road Freight Conductors & Brakemen													X	
Road Freight Engineers														X
Road Freight Firemen													X	
Yard Engineers & Motormen														X
All Other Yard Service Employees													X	

Source: National Railway Labor Conference.

Legend:

BRAC - Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees
BMWE - Brotherhood of Maintenance of Way Employees
IBEW - International Brotherhood of Electrical Workers
IBBM - International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers
BRC - Brotherhood of Railway Carmen of the United States and Canada
IAM - International Association of Machinists and Aerospace Workers
SMW - Sheet Metal Workers' International Association
IBFSO - International Brotherhood of Firemen and Oilers
BRS - Brotherhood of Railroad Signalmen
HRE - Hotel and Restaurant Employees and Bartenders' International Union
RYA - Railroad Yardmasters of America
ATDA - American Train Dispatchers' Association
UTU - United Transportation Union
BLE - Brotherhood of Locomotive Engineers

PROFILES

THE ASSOCIATION OF AMERICAN RAILROADS

50 F Street, N.W.
Washington, D.C. 20001-1564

TECHNICAL CENTER
3140 Federal Street
Chicago, Illinois 60616

TRANSPORTATION TEST CENTER
Test Center Road
Pueblo, Colorado 81001

Inception

The AAR was established in 1934 as an umbrella organization consolidating a number of smaller, more specialized groups. Among its forerunners were the Master Car Builders, the General Time Convention, the American Railway Association, the Association of Railway Executives, the Railway Accounting Officers Association, the Railway Treasury Officers Organization, the Bureau of Railway Economics, and the Bureau for Safe Transportation of Explosives and Other Dangerous Articles.

Services Provided

The AAR serves it members in matters that require joint handling to better enable the railroads to contribute toward the goals of the national transportation policy set forth by Congress. These matters include operations, maintenance, safety, research, economics, finance, accounting, data systems, and public information. In addition, the AAR represents the railroads before the courts, administrative tribunals, Congressional committees, and other governmental bodies. One of the Association's most important functions is to work with committees made up of representatives of member railroads on matters affecting the industry as a whole.

Membership (1986)

14	Class I line-haul railroad systems in the U.S.
28	Class II and Class III line-haul and switching and terminal railroads in the U.S.
13	Canadian lines and Mexican lines
56	Associate members

Composition of Board of Directors

The Board of Directors is composed of the Chief Executive Officers (Presidents, Chairmen, Trustees, and Receivers) or other such officers or directors approved by the Board, and the President of the AAR who is Ex Officio Chairman.

Departmental Organization

- Administrative and Executive
- Research and Test
- Operations and Maintenance
- Information and Public Affairs
- Legislative
- Economics and Finance
- Law

Subsidiary Organization

RAILINC

AMERICAN SHORT LINE RAILROAD ASSOCIATION

2000 Massachusetts Avenue, N.W.
Washington, D.C. 20036

Inception

In 1913, respresentatives of 22 short line railroads organized the Short Line Railroad Association of the Southeast. Accumulated experience led to the general belief that this Association should become national in scope, and subsequently the name was changed to the The American Short Line Railroad Association. The general office of the Association was established in Washington, D.C. in 1917.

Services Rendered

Services provided by the ASLRA for its nationwide membership include keeping them informed of all proposed rules and regulations and matters of current interest; statutory agent functions; legal consultation pertinent to proceedings before the various agencies; representation before various government bodies and Committees of Congress on pending and proposed legislation; retention of a close relationship with the Association of American Railroads through membership on the various AAR committees; and nationwide representation on all rate associations to insure protection of member lines' interests on traffic-related subjects.

Membership

325 Railroads
226 Associate members

Source: American Short Line Railroad Association.

REGIONAL RAILROADS OF AMERICA

324 4th Street, N.E.
Washington, D.C. 20002

Inception

Regional Railroads of America was formed in January 1987 as a lobbying organization concentrating primarily on issues facing regional railroads as small businesses. The sole purpose of the organization is to encourage change in federal laws as applied to regional rail carriers. Specifically the RRA is concentrating on the Railroad Retirement system; rules concerning labor protection; FELA legislation; and rulings on secondary picketing. In addition the RRA is also studying the infrastructure of the industry to determine the rehabilitation requirements necessary to ensure a successful business.

Services

The members of the RRA testify before Congress, write and distribute position papers, give speeches and lobby individual members of Congress. The RRA is organized on a committee-basis, with each committee being chaired by a member. Most business is conducted by those committees.

Membership

60 Class II and Class III railroads
25 Associate members from rail-related industries

Composition of Board of Directors

The RRA has a nine-member board composed of CEO's or other executive officers of member roads.

Source: Regional Railroads of America.

FRUIT GROWERS EXPRESS

3220 Duke Street
Alexandria, Virginia 22314

Inception

Fruit Growers Express was incorporated March 18, 1920.

Ownership

Five railroads.

Operating Characteristics

Fruit Growers Express supplies refrigerator cars and furnishes protective services to railroads for transportation of perishables. It also owns car shops for building and repair of cars.

Equipment Ownership (12/31/86)

1,890	Refrigerator cars
11,563	Insulated cars

Financial Data (1986)

(dollars in thousands)

$48,657	Total Assets
21,304	Total Liabilities
27,353	Stockholders' Equity
31,616	Total Revenues
29,175	Costs and Expenses
4,712	Net Earnings

Source: Annual Stockholders' Report.

NATIONAL RAILWAY LABOR CONFERENCE

1901 L Street, N.W.
Suite 500
Washington, D.C. 20036

Inception

The National Railway Labor Conference became operational on January 1, 1963, when it took over the responsibilities of three regional associations that had been the railroads' representatives in labor negotiations in their respective areas. The NRLC offices were moved from Chicago to Washington, D.C. in 1968.

Services Provided

NRLC represents the railroad industry in bargaining of national labor contracts with thirteen major unions. The scope of its representation of the industry extends to virtually all large railroads (except AMTRAK) and many smaller lines. It advises railroads on labor-related matters, including the interpretation of contracts. NRLC frequently presents testimony before Congressional committees.

Source: National Railway Labor Conference.

RAILROAD RETIREMENT BOARD

844 Rush Street
Chicago, Illinois 60611

Background

The first Railroad Retirement Act, enacted on June 27, 1934, was declared unconstitutional by the Supreme Court before it became operational. A new retirement bill was enacted on August 29, 1935. This bill was also challenged on the grounds that neither the railroads, nor the employees could be forced to contribute to annuity payments. At the suggestion of President Roosevelt, the President of the Association of American Railroads and the Chairman of the Railway Labor Executives' Association formed a joint conference to work out a solution to the pension issue. The conference's proposals resulted in the Railroad Retirement Act of 1937. Since that time, there have been many amendments and additions to the Act.

Functions of the Board

The Board's major function is to administer, under Federal control, a retirement, unemployment, and sickness benefit system covering railroad workers engaged in interstate commerce, and employees of railroad labor organizations and their subordinate units, and railroad associations.

Source: Railroad Retirement Board.

RAILWAY PROGRESS INSTITUTE

700 North Fairfax Street
Alexandria, Virginia 22314

Inception

Organized as the Railway Business Association in 1908, the name was changed to Railway Progress Institute in 1955.

Services Provided

The Railway Progress Institute is a national association that represents about 150 railroad equipment and supply companies. Primarily, the Institute's services relate to governmental affairs and technical operations in connection with the Association of American Railroads.

Source: Railway Progress Institute.

TRAILER TRAIN

101 North Wacker Drive
Chicago, Illinois 60606

Inception

Trailer Train was created on November 9, 1955, and began operations March 17, 1956, predicated upon a need to meet public demand for TOFC service with emphasis on uniform design characteristics to permit expeditious interchanging of traffic. Trailer Train commenced operations with a fleet of 500 cars. The fleet was expanded in the early 1960's to include double and triple deck rack cars for transportation of new automobiles. Other specialized flat cars were added in subsequent years.

Ownership

24 railroads.

Operational Characteristics

Trailer Train's free-running fleet is available to railroads upon demand. This provides access to a large fleet of cars without incurring long-term financial obligations. Car hire rates are priced at levels below ICC rates.

Size of Fleet 12/31/86

87,581	Flat Cars
13,406	Box Cars
1,897	Gondolas
102,884	Total

Financial Data (1986)

$1,162,654	Total Assets
841,842	Total Liabilities
320,812	Stockholders' Equity
380,779	Operating Expenses
190,752	Car Maintenance
34,404	Net Income

Subsidiaries

"Railbox" was established in 1974 to provide a fleet of free-running box cars. "Railgon" was formed in May 1979 to provide a gondola fleet.

Source: Annual Stockholders' Report.

RAILWAY ENGINEERING-MAINTENANCE SUPPLIERS ASSOCIATION

6120 North Avenue
Chicago, Illinois 60639

Inception

Railway Engineering-Maintenance Suppliers Association, is the outgrowth of two predecessor associations: National Railway Appliances Association and Association of Track and Structure Suppliers. The NRAA, under several different names had been in existence since 1984; the AT&SS since 1914. These two associations were merged into REMSA in 1965.

Services Rendered

As stated in the Constitution and By-laws of REMSA, the "purpose of this organization shall be to promote the welfare of transportation industries in carrying on the activities of its predecessors. Its activities shall be wholly educational, looking to the greatest advancement in the efficiency, safety, maintenance, and operation thereof. It will cooperate in the development of conventions of Engineering, Maintenance, Research and Scientific Associations, and shall sponsor and hold exhibitions of equipment, appliances, and supplies held in conjunction with these meetings."

Membership

Membership is limited to corporations, firms, and individuals engaged in the manufacture or sale of transportation equipment, appliances and supplies; engineers or contractors engaged in construction and/or maintenance of track facilities; also, publishers of the technical press and others associated with the transportation industry.

Source: Railway Engineering-Maintenance Suppliers Association.

GLOSSARY

AND

CONCORDANCE

GLOSSARY

AVERAGE LENGTH OF HAUL - The average distance in miles one ton is carried.

BRANCH LINE - The rail line serving one or more stations beyond the point of junction with the main line or another branch line.

CASH FLOW - Indication of net cash income or the net of revenues minus cash expenses. The sum of net income, depreciation, deferred taxes on ordinary and extraordinary income minus equity in undistributed earnings.

CAR CAPACITY - Load limitation in terms of weight or space.

CAR-MILE - The movement of a unit of car equipment a distance of one mile. An empty car-mile is a mile run by a freight car without a load or a flat car loaded with empty railroad-owned or controlled highway trailers or containers, moving without revenue waybill, excluding company service equipment designed for use exclusively in work service. A loaded car-mile is a mile run by a freight car in freight and passenger trains loaded with revenue or non-revenue freight, or a mile run by company service equipment in transportation trains, or a mile run by a flat car carrying loaded or empty highway trailers moving with revenue waybill.

FIXED CHARGE COVERAGE - Ratio indicating the number of times income is a multiple of fixed charge expense. The higher the value the more able the firm to pay current interest charges. Calculated as income before fixed charges and taxes divided by fixed and contingent interest charges.

FREIGHT SERVICE OPERATING EXPENSES - The sum of operating expenses directly assignable to the freight service and an apportionment of the expenses common to both freight and passenger service.

FREIGHT SERVICE REVENUE - Revenue from the transportation of freight, switching of freight train cars, water transfers of freight, vehicles and livestock, movement of freight trains at a rate per train-mile or for a lump sum, storage of freight, demurrage, grain elevators, stockyards, and miscellaneous services and facilities in connection with the transportation of freight.

GROSS TON-MILE - Total weight of a train moved a distance of one mile.

HOT BOX - An overheated journal caused by excessive friction between wheel bearing and journal.

HOURS, SERVICE - The time of an employee forming the basis for computing his compensation, including time actually worked and paid for at straight time rates, overtime paid for at punitive rates, time paid for but not worked, and constructive allowances.

INVESTMENT TURNOVER - Ratio indicating the revenue generating capacity of railroad assets. The higher the ratio, the greater the level of operating revenue attained for each dollar of investment in property. Calculated as total operating revenues divided by net property investment.

LOCOMOTIVE UNIT-MILE - The movement of a locomotive one mile in freight train service.

MAIN LINE - Main tracks, exclusive of switch tracks, branches, yards and terminals.

MILES OF ROAD OPERATED - The single or first main track, measured by the distance between terminals, over which railway transportation service is conducted. Excludes industrial tracks, yard tracks, and sidings.

MILES OF TRACK OPERATED - Total track mileage consisting of first, second and other main tracks, and of yard tracks and sidings operated in transportation service.

NET TON-MILE - The movement of a ton of either or both revenue and nonrevenue freight a distance of one mile. A charge for a movement classifies a ton-mile as a revenue ton-mile, and a movement without charge is classified as a non-revenue ton-mile.

GLOSSARY

NON-REVENUE FREIGHT - Company materials and supplies transported without charge in freight trains of a particular railroad, for its own use.

OPERATING EXPENSES - Expenses of furnishing transportation service including the expense of maintenance and depreciation of the plant used in the service.

OPERATING RATIO - The ratio of the operating expenses to the operating revenues.

OPERATING REVENUES - The amount of money which a carrier receives from transportation operations.

PAYROLL TAXES - Taxes based upon wages paid employees, usually imposed for retirement, unemployment or sickness benefits.

PIGGYBACK - A term used to describe the hauling of loaded or empty highway trailers or containers on railroad freight cars. Also called TOFC/COFC service.

ROLLING STOCK - Rail transportation equipment on wheels.

SALARIES AND WAGES CHARGEABLE TO OPERATING EXPENSES - Includes direct compensation paid or payable to employees for services related to maintenance and operation of a railroad, including profit sharing, stock option plans, and paid time off. Excludes amounts payable for services chargeable to additions, betterments, new construction work, labor billed by or billable to contractors and other companies.

TIME PAID FOR BUT NOT WORKED - Payment for holidays, absence due to leave, vacations, miscellaneous time paid for but not worked (such as pay for attending court, suspensions, sickness, etc.), and any other time that can properly be considered constructive.

TRACK MILE - One mile of single track.

TRAIN-HOUR - The elapsed time of road freight and passenger trains between the time of leaving initial terminals and the time of arrival at final terminals, including train switching at the time of arrival at final terminals, including train switching at way stations and delays on road.

TRAIN-MILE - The movement of a train a distance of one mile.

WAYBILL - The document covering a shipment and showing the forwarding and receiving station, the names of consignor and consignee, the car initials and number, the routing, the description and weight of the commodity, instructions for special services, the rate, total charges, advances and waybill reference for previous services, and the amount prepaid.

WEIGHT OF RAIL - The weight in pounds per yard of rail.

WORK TRAIN - A train engaged in company service for which no revenue is received, such as inspection, wreck trains, and trains transporting employees to and from work.

CONCORDANCE

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NLA = No longer available

CONCORDANCE

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NLA = No longer available

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